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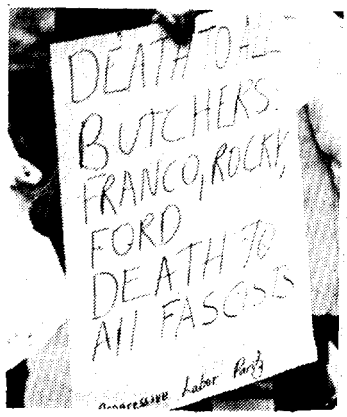

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Letters .....

To Contact PLP:

National Office:
PROGRESSIVE LABOR PARTY
7th floor
220 E. 23rd St.
New York City 10010

ARKANSAS
Little Rock: Box 132, Little Rock, Ark. 72203
CALIFORNIA
Los Angeles: P.O. Box 91494, Los Angeles, Calif. 90009; **San Diego:** Box 14103; San Diego, Calif. 92114; **San Francisco:** Box 562, San Francisco, Calif. 94101.
GEORGIA
Atlanta: Box 54176, Civic Center Station, Atlanta, Ga. 30308.
ILLINOIS
Chicago: Box 7814, Chicago, Ill. 60880.
INDIANA
Gary; Box 184 Gary, Inc. 46401.
MARYLAND
Baltimore: P.O. Box 13436, Baltimore, Md. 21203;
MASSACHUSETTS
Boston: P.O. Box 519, Kenmore Sta., Boston, Mass. 02215; **Worcester:** Box 185, West Side Station, Worcester, Mass.
MINNESOTA
Minneapolis: Box 9524, Minneaplis, Minn. 35440.
MICHIGAN
Detroit: Box 85, Detroit, Michigan 48221; **Lansin PLP:** P.O. Box 332, E. Lansing, 48823.
MISSOURI
St. Louis: GPO, Box 2915, St. Louis, Mo. 63130; **Kansas City:** P.O. Box 5913, Kansas City; Mo. 64111 (Box 6104, K.C., Mo. 64110).
NEW JERSEY
Newark: Box 6085, Newark, N.J. 67106.
NEW YORK
Buffalo: Box 52, Norton Union, SUNYAB, Buffalo, N.Y. 14214; **New York City:** GPO, Box 808, Brooklyn, N.Y. 11201, 7th floor 220 E. 23rd St. N Y C 10010
Suffolk County: P.O. Box 487M, Bayshore, N.Y. 11706.
NORTH CAROLINA
Durham: P.O. Box 3172, Durham, N.C. 27705.
OHIO
Cleveland: Box 2579, East Cleveland, Ohio 44112; **Columbus:** P.O. Box 4993, Station B, Columbus, Ohio 43202.
PENNSYLVANIA
Philadelphia: Box 14164, Philadelphia, Pa. 19138; **Pittsburgh:** Box 10248, Pittsburgh, Pa. 15232.
TEXAS
Houston: Box 8510, Houston, Tex. 77009.
WASHINGTON
Seattle: Box 12774, Seattle, Wash. 98111.
WASHINGTON, D.C.
Box 3081, Washington, D.C. 20010.
WISCONSIN
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To the Editor, PL:

The article in the April-May, 1975 issue of PL Magazine pointing to the danger of fascism was generally excellent. However I believe it is deficient in a number of respects:

1) The PL definition of fascism is exceedingly vague; a more complete definition is needed. In historical experience fascism is more than an intensification of nationalism, racism and speed-up, etc. The PL article, for example, defines "gray flannel fascism" as meaning an appeal from a clean-cut, nice-but firm guy (a Kennedy for example) to the workers to labor longer hours, etc, with the threat of terror in the background. But is this fascism? There was a significant intensification of racism, speed-up, company unionism and open terror against communists (Palmer raids, deportations) in the 20s and 30s in the U.S., but few would call the U.S. government at the time "fascist." Fascism seems to be a **qualitative** transformation (i.e., more than an intensification) in the manner in which the bourgeoisie maintains hegemony over the rest of society. Virulent racism and extreme nationalism become **official** policies of the state, rationally calculated and enforced through state power. All working class organizations including communist parties and trade unions are disbanded and replaced by organizations controlled by the state. The facade of liberal democracy with varying non-ruling class interest groups vying for petty state favors is replaced by the organic view of society (the non-recognition of class differences). Big business merges with the state to form a corporate state. The state enforces big business control over the rest of the economy in terms of prices, wages and capital allocation. All this requires that the ruling class build an enthusiastic base for fascism among sections of the working class as well the petty-bourgeoisie. Such a definition of fascism differs not only from liberal democracy (U.S., G.B., Western Europe and Japan) but also from what might be called the "authoritarian-conservative state" (Spain and pre-1974 Portugal for example) which lacks total control and the ability to mobilize a significant section of the population. There seem to be other variant forms of bourgeois rule, especially in the developing countries. The point is that the term fascism should not be used loosely, but should be given a more definite social content (unless we plan to use the word as a mere epithet). The question is not one of semantics, for the different forms of bourgeois rule determine to a great extent communist organizing tactics.

2) Under what conditions does fascism come into existence? And is fascism "inevitable" in this period as the PL article states? As causes the PL article mentions the coming economic decline in the U.S., combined with sharpening inter-imperialist rivalry. In addition it mentions the attempt by the ruling class to build a grass-roots fascist movement (Boston). This analysis is incomplete, lacking an overall evaluation of the developing relationship of class forces. The bourgeoisie has shown that it is able to survive severe economic crises, keeping intact its liberal facade, if: a) it has won over the intelligentsia and most of the working class to liberal ideology and b) does not face a strong communist party and the threat of revolution. Fascism seems to have arisen historically not primarily as a result of an economic crisis (we must avoid being economic determinists) but as a result of a crisis of bourgeois political hegemony. Such a crisis existed in the 30s in Europe. On the one hand the ruling class was unable to rule in the traditional manner, on the other hand a relatively strong internal communist movement (buttressed by a socialist Soviet Union leading a world revolutionary movement) existed as a disruptive force, but not as an immediate threat to state power. The result was a crisis in which neither class was able to consolidate power. The ruling class then turned to a "third force" (fascism) which was able to consolidate its rule through new forms. At present few of these conditions leading to fascism are in existence in the U.S. Especially lacking is the threat of a world communist movement. It is possible that many of these conditions might come into existence, but it doesn't seem to be inevitable if that word is used in the short run sense (the next decade or so).

I do not pretend to have the last word on the issue. What is needed is more discussion leading to the formation of a general Marxist theory of fascism. A lot of questions remain to be answered: How do we classify the various forms of class rule? Under what conditions do they come about? What are the varying tactics of communists under different forms of state rule? For example, do communists initiate urban peoples' war under fascism? Is fascism a form of state rule toward which all capitalist states tend in the age of imperialism?

—A friend of PL

• • •

A Comment on Boston Busing and Fascism

The PL article on the rise of fascism in Boston correctly emphasizes that the fascist goons of the Hicks-Kerrigan klan and the sophisticated liberals of the Kennedy klan are on the same side: the side of the class of bankers and big businessmen who rule this country.

But to say they are on the same side is not to say they are the same. And it seems the current PL article fails to explain this point adequately. To say or to imply that the fascist goons and the fascist-minded liberals are somehow conspiring together, that what happens in Boston (or

anywhere) is part of a master plan they have cooked up together, will not convince anyone—and moreover, it is usually not true.

Most people will react by thinking—Kennedy is rich, the fascist goons are not; Kennedy is "for busing," the fascist goons are against it; Kennedy even gets eggs and rocks thrown at him by the fascist goons. How can they be the same?

We need to explain that the Hicks-Kerrigan klan and the Kennedy klan are **strategically** on the same side—that they both work for the ruling class—while **tactically** they are often quite different. Further we need to explain that this means we must often fight tactical battles on two fronts at the same time.

When the Watergate thieves fall out with the Rockefeller thieves, we have no trouble explaining that both sides are thieves and that working people have no interest in either side, even though they may (temporarily) fight each other fiercely (even murder each other, as in the case of JFK). While the situation is not identical, the basic principle applies to the Boston situation as well.

The ruling class of butcher-bankers need racist, fascist goon squads for two reasons: First, to divert the working class from the real enemy, from fighting against the bosses, to fighting among itself. (While the working class is divided by racism, the bosses' hands are reaching deeper into our pockets.) Secondly, they need the fascist goon squads as a potential force to suppress the rising rebellion of workers, led by communists, which will grow as living conditions continue to deteriorate.

Consider this second point carefully.

As long as "nice," pretty-boy liberals like Kennedy can get working people to accept wage-cuts, longer hours, rotten schools, higher taxes, higher transportation fares, even fighting imperialist wars, without resistance ("Ask not what your country can do for you . . ."), then "democracy," "free speech," "freedom of assembly," "free press," etc., is fine. It is definitely the nicer way—and besides it looks better when it comes to deceiving people around the world.

But when working people start to say "No!" when layoffs are met by strikes, when wage freezes are met by strikes, when wildcat walk-outs become the rule, when rebellions start sweeping the streets, when black and brown and white workers join together to beat back scabs and shut down production, when the ruling class sees their profits threatened, then "democracy" goes out the window. Then they call out the troops (remember the postal workers' strike a few years ago). But even the troops of the regular army showed in Vietnam (and even during the postal strike) that they cannot be relied on to serve their big business forced masters. The troops have a tendency to identify with their brothers on the picket lines.

The bosses need a reserve army, an army so corrupt, so depraved, so racist and fascist-minded that they will be able to repeat the barbarity of Nazi Germany. Such an army can't be created overnight. It has to be built out of racist goon squads which are now being given the freedom to terrorize the streets of Boston.

The ruling class therefore wants racist, fascist gangs around, on call, so to speak. But they don't want them to get out of control, to become too dominant too soon. If that happens, the racist goons will spoil the democratic facade, ruin the image—but more important, working people will rise up and smash the goon squads in their infancy.

Therefore the ruling class uses the racist goon squads, allows them to grow, helps them financially (does anyone think Hicks and Kerrigan get their money from poor people's piggy banks?), and maintains a public relations campaign for them in which the press—as well as the movies, the universities and the whole cultural superstructure—is used to justify racism.

But they also often oppose them tactically—even arrest them at times, battle them in elections, sometimes even fight them in the streets.

Of course, the ruling class will never fight the fascist goon squads with the ruthlessness and the repression they use against the working class, against black people demanding equality, against communists.

And this must be pointed out. Of the 80 people arrested in Boston during the past two weeks, of the scores attacked by police, the vast majority are from the ranks of the working class and their allies, black and white, including many members of the Committee Against Racism and PLP.

We need to point out the connections between the liberal racists like Kennedy and the fascist goon-squads of Hicks, but we need to point out their differences as well. And there will be times (and the present Boston scene is probably one of them) when we will need to fight on two fronts—fight the fascist goon-squads in the streets, and expose the liberal politicians at the same time.

Some of our members or friends may hesitate to admit that real tactical differences exist between the Hicks klan and the Kennedy klan, because they may be afraid that this will somehow support those who argue we should unite with "the lesser evil" in "a united front against the fascists." This was the line adopted by the old so-called "Communist" party in the forties when they urged U.S. workers not to strike so that the Rockefeller-Roosevelt rulers could be stronger (and richer) in their fight against the German capitalists.

We need only look at where that line led the old "C"P—the total bankruptcy they have reached, where their most crucial decisions are which millionaire Democratic Party politician to vote for—to reject that position.

In fact, every workers' party and government which has followed that line—the line of uniting with one enemy to fight a second enemy, has inevitably been co-opted or won over or swallowed up by the enemy it "united" with.

Many sincere people today would have us unite with the Kennedy klan to fight the racist gangs in the streets. They know the Kennedy klan is a bunch of millionaire hypocrites who don't really care about working people, but "Who else is there?" they plead. And besides, "We have to stop the fascists."

We need to explain and try to win these people to understand that uniting with the Kennedy klan is uniting with your boss who just gave you a cut in real wages, uniting with the hospital trustees vacationing in Hawaii while you're waiting hours for care, uniting with the banks who just raised your taxes, uniting with the system which allows layoffs of half the workers and speed-up conditions for the other half to guarantee no drop in profits for the owners. It is the horse "uniting" with the rider.

If our class is surrounded by a pack of starving wolves on one side, and a group of hungry bears on the other, clearly we gain nothing by pretending that they are exactly the same animal. But at the same time, if we feed ourselves to the wolves so they will be better able to fight the bears, we will not last very long (except as part of the wolves).

We must learn to fight—and win —on two fronts.

Clearly, if we can go in today and crush the fascist goon squads in their infancy, if Death to the Fascists becomes a reality as well as our battle cry, we can prevent the U.S. SS from marching through our cities later on.

But at the same time, we need to show people that the Kennedy klan is not on the side of the working people, black or white.

Just as sure as Teddy ran down South to pose with George Wallace, Teddy will cuddle with Hicks and call on her goons to do his class bidding if the workers get too militant.

It is no accident that the racist goon squads in Boston have already attacked, stoned and beaten members of several unions—truck drivers, bus drivers—etc. It is the unions, the rank and file union members, their caucuses, their militants (including communists) who are the long-run targets of the fascists.

Let no one be fooled by the fact that many of the racist goons come from the working class, or even work for a living—or maybe even grumble about high prices and taxes. By joining the native nazi bands, they have been led to betray their own class—they are traitors to the working class (whether they realize it or not), and must be treated as such.

It is the ruling class, the bankers, corporation executives, and insurance moguls (see PL's publication "Who Really Rules America") who are calling the shots. These fat-cat imperialists are the ones who profit from this system which—by their own statistics—murders more than 100,000 working people on the job **every year**, which destroys the lives of millions through hopelessness and hunger, and which makes war the only alternative to endless unemployment lines. At times they will choose to use the smiling liberal politician as their main man, and keep the fascist goons on tap, and when people tear off the smiling liberal mask, the ruling class will turn to their native storm troopers for protection.

In the final analysis, the working class must call the shots, and the shots must be aimed at both the liberal front-men and the fascist front-men, as well as at the big bosses who pay them both from behind the scenes.

Head Rat-keteer of the Rocky Rat Club

To the Editor, PL:

I am not a member of the Progressive Labor Party, but I am in agreement with the Party's political line. I have been addicted to all the addictable drugs and have used regularly those drugs that are not addictable, which were listed in the March 6, 1975 issue of **Challenge**. I have been abstinent from all drugs except alcohol, nicotine and marijuana since 1968. I have been a drug treatment counselor since that time. In recent years I have discovered evidence that the law governing drug use has nothing

to do with public health. The law is used by the Bosses to colonize and oppress the working classes of the world.

I suggest that the Party assign members to study the pervasiveness of drug use in this society and the part it plays in the capitalists' control of the world. For example, when Europe invaded America in 1492, the only drug that was known to the Europeans was alcohol. It was used for medicine and relaxation. The native Americans, on the other hand, were very advanced in pharmacology, and they introduced the Europeans to cocaine, nicotine, caffeine, marijuana and hundreds of other drugs. European industry and religion, however, was firmly invested in the alcohol drug, and they have continued to retard public health motives with profit motives. Nicotine was one of the only drugs that didn't compete with the effects of alcohol and because of its addictive qualities, it became a booming capitalist enterprise.

The British capitalists in 1781 first introduced opium to China, in such quantity that it eventually underminded the government and along with the Euro-Americans, they militarily took control over the means of production and trade. Edward M. Brecher, states in his book, **Licit and Illicit Drugs,** that our drug laws were enacted for racist rather than public health reasons. Brecher explains that America was content with no opiate restrictions, and people could obtain opiates in many forms without medical supervision, regardless of its addictive potential. However, when Coolie slaves from China completed the Great Western Railroad, they were without jobs so they migrated to San Francisco in search of work. Once Chinese and white workers started smoking opium together, opium was made illegal. These people had come to the city looking for jobs and what better way of controlling these jobless workers than by locking them up in prison?

African slaves brought marijuana along with other drugs and medicines from their homeland. They, too, were advanced in the science of drugs. Afro-Jamaican descendants of slaves in a recent study were shown not to have suffered from generations of pot smoking. Sixty percent of the Jamaican population still uses the herb as a left-over African tradition. The Jamaica study was suppressed by the United States Government for five years. Marijuana smoking dates back thousands of years before Christ, and it is the national drug of India and many other Moslem countries, so Jamaica is not the only example to be studied.

Among Asians, Africans, Americans (Indians) and Europeans, the Europeans were the least pharmaceutically sophisticated. We now know that alcohol is an addictive drug, a depressant, it accounts for many suicides and violent acts of crime. Furthermore, it destroys living tissue throughout the human body.

Nicotine is highly addictive, it is directly linked with cancer and other lung diseases. Cigarettes are used by the Euro-American society in much the same way as "grass" is used in Afro-Jamaican society, beginning at an early age. Alcohol and nicotine are the most widespread, and they are the most dangerous in inflicting bodily harm.

Speed, tranquilizers and barbiturates are in a category of their own. They are manufactured and distributed for profit rather than for primarily public health reasons. These drugs are also widespread and can be fatal if misused. From the billion dollar advertising companies filling medical journals with lies and half-truths, to the drug salesmen's pressure tactics of free samples to doctors to try out on his patients, 30,000 people die each year from adverse reactions to these drugs. There are about 300 different kinds of pills available on the street market which are mainly used in suburban and middle class urban areas, as well as the poor working-class neighborhoods. All of these drugs have serious side effects. Doctors have been known to treat the side effects of drugs **with** drugs and not realize it. The drug companies are in the top three money-making enterprises of this country. They must be put under strict controls and socialized.

From all the evidence, marijuana seems to be the least dangerous drug with the fewest side effects and the least potential to addict or overdose. It is a mild hallucinogenic whose effects take time to get used to. Alcohol and marijuana when used together can have very negative effects. Smoking is not good before doing things that are unfamiliar such as driving a car for the first time. Marijuana has different strengths, and a stronger smoke than a person is accustomed to will sometimes put even the experienced smoker off balance. Smoking is by no means harmless in every situation, but society's disapproval has been, by far, the worst harm of all.

It would be foolish for someone intent on doing serious political work to do anything illegal if it could be helped. Getting high is self-indulgent and if you get busted, you have to do your political activity, with the strongest drug laws in the country. Ninety percent of all the people in prison are in because of drug related crimes, and addictive drugs especially keep young workers in jail's revolving door. Bosses only go to jail on television.

To make a non-ethnocentric examination, the Party will have to look with an open mind at the practice of all drug taking throughout the world—and not just in Europe. You will need to study the social practice of drug use in all settings and by different cultures. Furthermore, the Party must study the chemical make-up of all these drugs and how the body is affected over long periods of time.

Drugs permeate every aspect of our society. The great majority of Afro-American youth find drugs in plentiful supply—and themselves in prison, if not just as a warning, as a serious reprimand. Drugs aid the Bosses in developing ways of controlling the minds and bodies of every level of the working class. My recommendation is to fight the Bosses, see how they use drugs as a weapon and not to alienate our brothers and sisters who have

fallen victims to capitalist exploitation.

—A friend of PL

• • •

To the Editor, PL:

It is clear that American imperialism is in a state of serious decline, and that the ruling class is getting desperate. Even as world-wide capitalism faces a series of serious and seeming never-ending crises, the American imperialists find themselves in a worse situation than most—although the American bosses are perhaps better off than the English, whose system has been in decline for a century—and therefore more desperate.

The bosses' strategy is clear. The falling rate of profit (not the amount—the billions of profits shows that the **amounts** are increasing, unlike workers' wages, but the **rate** is falling due to the amount of invested capital, which has increased), the projected shortage of investment capital, the increasing threat of competition from the Soviet and other foreign bosses, all mean one thing—the American bosses must take more money out of the workers' pockets, and to do that they must, among other things, bust the unions, and make them even more subservient to their wishes than they are now.

There appears to be a split, however, about the **tactics** involved, one which may lead to real squabbling among the ruling class. The so-called "liberals" —more or less gathered under the Kennedy banner—in reports coming from the Brookings Institution, the Ford Foundation, the World Bank, and the like, call for increased government intervention in the raising of investment capital. They call for such things as nationalizing the railroads, more government control over the energy industry, a government economic "planning" agency, all with one purpose—to get the money out of the workers' pockets and into the hands of the bosses, primarily the banks. These bosses may try to "cooperate" with the unions—sellouts like Gottbaum make it easy for them—and take the money in larger pension funds to invest in the bosses' projects (since most workers never see the pension money anyway, increased pension funds, paid for by workers, simply means less money for the worker and more for the boss, increased taxes for phony "national health insurance," increased taxes for "publicly owned" transportation and other corporations, etc.

Another section of the ruling class with the **Wall Street Journal** as spokesman, tactically want **less** government control, want the price of oil deregulated (causing the price of gasoline to rise), want no government intervention in capital formation, and a "return to the market-place economy." They want unions broken up (rather than cooperating with and co-opting them), and want to use government money to take workers out of union jobs and train them for non-union ones (for example, the CETA program for "retraining" minority workers). In other words, just higher prices and lower wages, without frills and phony government controls and "protection."

We should be clear that there is **no** difference, except a minor tactical one, in the **strategy** of the bosses. Cooperating with **either** of their tactics is a disaster for the working class. We must clearly understand that the only way for the working class to win is to fight **all** the bosses and smash their apparatus, establish a worker's dictatorship and build a socialist society.

The line of the PLP is that we are in the period of the decline of U.S. imperialism. This decline is reflected in the increasing imperialist rivalry overseas for areas now under U.S. control. The Middle East, Turkey, Greece, Portugal and Southeast Asia are examples of this imperialist rivalry, with the Soviet Union being the chief U.S. rival. This rivalry helps spark class struggle within these countries. Unless there is a broadly based communist party within these countries, the struggle will be resolved in favor of one imperialist nation or another. The local ruling classes of these countries do not operate in a vacuum and, like the U.S. ruling class, have tactical splits.

For example, in Portugal it is no secret that the Soviet Union is moving heaven and earth to have the "C"P there assume power. The U.S. is trying to maintain its control. Neither of the two sides has the interest of the workers at heart and the class struggle in Portugal could end up installing the Soviet Union as the dominant force in Portugal.

Similarly, the situation in Argentina is an example of imperialist rivalry. Peron and now his wife reflect that section of the Argentine ruling class who look to Europe for help. The Soviet Union and the U.S. are the other key players in the struggles now underway in Argentina. Since there is no real communist party of sufficient size, strength and support to lead a revolution, the present class struggle in Argentina will have the effect of placing another section of the Argentine ruling class in power—which means that some imperialist power will become dominant.

The International Roundup in PL Magazine should place these class struggles in these countries into the context of the rivalry among the imperialist powers. The present analysis (vol. 10, No. 1) does not bring this out and therefore distorts the views of the events in the international class struggle.

GIVE GIFT SUBSCRIPTIONS TO CHALLENGE AND PL

THE FALLING REIGN IN SPAIN ...AND PORTUGAL

The class struggle in Spain and Portugal are of extreme importance to the international class struggle. Both situations have shown that fascism can be beaten.

In Portugal, a combination of a militant working class undefeated after forty years of fascism, plus mass rebellions in the African colonies of Guinea-Bissau, Mozambique and Angola, and the general crisis of capitalism helped defeat the fascist regime of Salazar-Caetano. Since then the militancy of the working class has defeated several attempts to bring back fascism in Portugal and has now put the people of Portugal on the brink of a socialist revolution.

In Spain, after years of the brutal fascist dictatorship by decaying and dying Franco (he might be dead by the time this article is printed), the class and national contradictions which fascism tried to eradicate are still present—and sharper. The working class has recovered and is in the vanguard of the fight against fascism; socialism is also on the agenda there.

Fascism can be defeated and a revolutionary movement can be built to fight for socialism even under fascism. Those are two of the main lessons we must learn from these struggles. But also we must learn that a revolutionary Communist Party that fights for socialism and to unite all workers their allies must be built. Otherwise the bosses will try to bring back fascism over and over again, as in the case of Portugal.

We must also learn that revisionism and social democracy are agents of the ruling class and are used to demoralize the workers and to stop the fight for socialism, as has been the case in Portugal since Caetano was overthrown, and as it is in Spain.

These countries have also shown us the genocidal aspect of U.S. imperialism (which is the main backer of Franco and of the fascists in Portugal) and of Western European imperialism, which has helped the reactionaries in Portugal through the "Socialist" Party. It has also shown that in spite of all the talks about "detente" and "peace" by the U.S. and the Soviet imperialists, both of them will not give an inch to lose ground as in Portugal. It has also shown us that a revolutionary working class will not fall for the fake-socialism pushed by the Soviets, as in Portugal where the Soviet agents of the Cunhal's revisionist party has lost support among the working class due to opportunist wheeling and dealing and their betrayals. Right now the "C"P, while trying to co-opt the growing revolutionary movement by trying to lead it into collaboration with some Army officers (and a possible coup), is also trying to gain back its lost power in the sixth provisional government by trying to reach a deal with it. But the "C"P is in a dilemma there: it has failed in its job given by the bosses to stop the workers' movement; and at the same time it is being rejected by the workers, it is also being rejected by the strongest section of the ruling class there.

Also in Portugal, the bourgeois army is in turmoil. Great sections of its ranks have formed Democratic Assemblies and rank-and-file groups which do not obey the reactionary officers and feel responsive only to the revolution for socialism. These rank-and-file councils are also growing among workers, in neighborhoods and in all sections of the population.

We hope the following article will explain the situations in these two countries.

C.G.T.
LA SECTION DES STUDIOS DU FILM DE BILLANCOURT
AFFIRME SA SOLIDARITE AUX CAMARADES ESPAGNOLS
QUI LUTTENT POUR LEUR LIBERTE
VIVE L'ESPAGNE REPUBLICAN

Paris, 1936: Protest supporting Spanish Republic's anti-fascist war

...the fight resumes

The working class of the Iberian Peninsula (Spain and Portugal) are becoming the most militant fighters of the international proletariat against capitalist imperialism and its cruelest form: fascism. In both countries, the situation is changing rapidly each day. When you read this article, the situation could have changed radically from when it was written (Oct. 1975), but we will try to give a background and analyze the situation so our readers can have a better understanding of these important struggles for workers all over the world.

The first thing we must know is that the marxist-leninist analysis of change has again been proved correct. In both countries, bourgeois analysts considered the working class either "peaceful" (as in Portugal) or "satisfied by a higher standard of living" (as in Spain). Before the overthrow of fascism on April 25, 1974, it was believed that the "peaceful" and "non-political" Portuguese working class was only interested in soccer and enjoying a quiet life. They are now waging a heroic struggle for socialism. Spain has one of the highest percentages of strikes in Western Europe in spite of strikes being illegal and brutally suppressed.

SPAIN: THE FIGHT AGAINST FRANCO

Franco is the last remaining fascist from the Hitler-Mussolini era. He came to power in 1939 after waging war, with the aid of Hitler's and Mussolini's armies and weapons, against the elected Republican government. The Communist Party of Spain was in the vanguard of the fight against Franco. Many mistakes were made by the revolutionaries, and the fascists finally won by murdering almost two million people. (For a further analysis of the Spanish Civil War, see "People's War in Spain," PL Magazine, Oct.-Nov. 1974.)

Franco was an outcast from the international community until the U.S. saw him as a good ally when the Cold War was started against the Soviet Union following World War II. The U.S. gave billions in aid to Franco and in return Franco allowed several U.S. bases on Spanish territory. As a matter of fact in the midst of the massive international wave of protests against the killing of five anti-fascists in the month of September, the U.S. signed a renewal of the contract for the basis giving Franco about $750 million. Birds of a feather!

As industrialization came to Spain, so came an increase of the class struggle. During the 1960s the workers began to get organized after recovering from the defeats suffered from the victory of Franco. The vertical "trade unions" organized by Fascism (fascism's aim is a corporate state where workers and management "come together" so as to work out their differences and "eliminate" the class struggle; trade unions under Franco are composed of workers and bosses) began to be substituted by Workers' Commissions organized by the Communist Party, christian democrats, and other opponents of Franco. These commissions grew and were able to organize strikes. The fascist unions became almost obsolete.

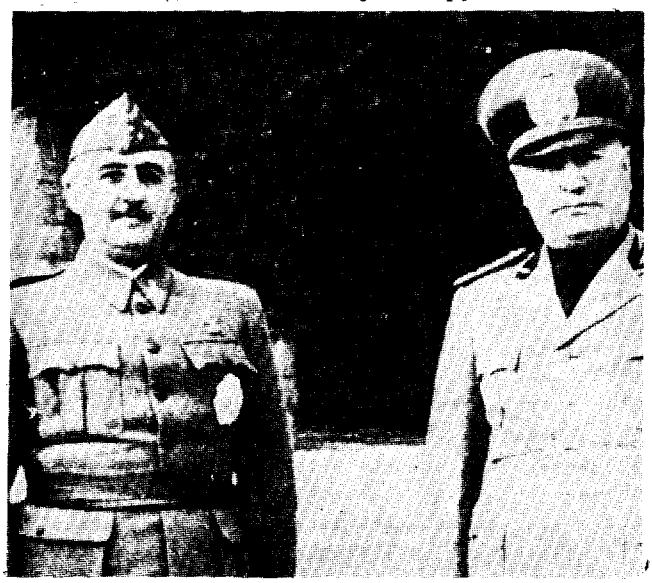
The Communist Party of Spain suffered the same decomposition that all pro-Moscow parties suffered after the Soviet Union became a capitalist nation and socialism was defeated by the Khruschev-Brezhnev-Kosygin gang. The "Communist" Party (P"C"E), headed by Santiago Carrillo, formed a Democratic Junta (government in exile) which united disenchanted fascists, monarchists, and other sections of the bourgeoisie which opposed Franco to form a "democratic" government after Franco was overthrown or passed away. In an interview with *Time* magazine, Santiago Carrillo said: "We are not proposing that the American forces withdraw from their bases in Spain . . . We are ready to protect U.S. investments."

The "C"P of Carrillo is so right wing that it joined the Italian "C"P attacking the Cunhal leadership of the Portuguese "C"P for being "too militant," especially in attacking the CIA-funded "Socialist" Party of Soares in Portugal. Carrillo's "C"P also criticized the Soviet Union for the invasion of Czechoslovakia. Carrillo is too right wing even for the Soviet imperialists who responded by splitting the "C"P and forming another revisionist party headed by Enrique Lister. Lister's faction is too insignificant to play any role.

There are also many other opponents to the Franco dictatorship. It goes from the Borbón king (who is on bad terms with Franco because he chose his son Prince Juan Carlos to be the King after Franco passes away) to the Catholic Church. Also there is an opposition to the left of the "Communist" Party. The most famous groups are the Basque groups headed by the Euzkadi ta Askatuna (ETA) 5th Assembly (the biggest of the many ETA groups) and the Anti-fascist and Patriotic Revolutionary Front (FRAP), a group formed by the Maoist Communist Party of Spain (which calls itself marxist-leninist). FRAP is a very small group which has turned to terrorism for lack of any mass support. Its political line is that of a two stage theory (first a "democratic" revolution, then socialism). ETA V, on the contrary, has quite a lot of support among the working class of the Basque provinces. As soon as the death sentences were announced for two members of the ETA V's Garmendia and Otaegui, a general strike shut down these five provinces (see *Challenge*, Oct. 2, 1975). Also, when members of the ETA V were executed

along with members of the FRAP, a general strike again shut down these provinces.

Franco, as would any fascist, tried to destroy the Basque nationality since the Basque region was a stronghold of opposition to the Franco forces during the Civil War. Guernica, a Basque city, was destroyed by German bombers during the War (the massacre of Guernica was portrayed in the famous painting by Pablo Picasso). Franco tried to eliminate the Basque language (whose origin is unknown and has no relation to any other language in the world). The use of the language was forbidden. Outright racist genocide was used against the Basque people. Franco tried to force the immigration of Spaniards to destroy the Basque nationality. An opposition to this



Franco and Mussolini, 1941

genocide grew. The old Basque Nationalist Party became obsolete and a new crop of revolutionaries grew and formed ETA. ETA has carried out actions and gained the support of the Basque masses, but is limited by its lack of organizing among the workers; also its terrorist-nationalist outlook has weakened ETA. Its many splits has proved this. ETA V, in spite of weaknesses, became a symbol of rebellion against fascism. The car of Prime Minister Luis Carrero Blanco was blown up by ETA members. The car ended on top of a church, this fascist was blown to pieces.

The future of ETA as an organization is in doubt after the recent crackdown by Franco against it. Pedro Ignacio Perez Bectugui, alias "Wilson," an ETA leader, was captured after a shootout in Barcelona last August. After intense torture and the use of sodium pentathol ("truth serum"), he exposed several ETA commando cells. Police rounded up scores of guerrillas in the next weeks. (*Newsweek*, Oct. 13, 1975). The brutal repression by Franco's cops has led to more rebellions. It is also well known that the repression is not only directed against ETA but also against the workers' movement as a whole. A "state of exception" (state of siege) was imposed in the Basque provinces in May. In that month over 3,000 people were arrested in the provinces of Vizcaya and Guipuzcoa, three workers of the Echezarreta paper factory (on strike for over five months) were arrested . . . in Vizcaya workers were arrested from the Deusto repair shop, from Firestone, from the Cadagua ship yards and from other plants where there have been sharp struggles" (*Servir al Pueblo*, June '75, newspaper of the Spanish Communist Movement). This repression was to no avail. Two general strikes, involving more than a hundred thousand workers, have shaken these provinces during the month of September. (The total population of the Basque region is 2.7 million.)

In Catalonia and Galicia, two regions with their own languages, there has been a certain degree of fighting back against the racist policies of Franco.

CRISES HIT SPAIN

Spain, like all capitalist countries, has been affected by the world crisis hitting the capitalist economies. The boom of the last two decades is becoming a bust. Inflation is 20 percent a year. Unemployment is increasing, prices are going up. At the end of last year, unemployment was 6 percent in the cities of Malaga and Cadiz of the Andalusian region, and these figures have gone up steadily according to *Posible* magazine, August 14-20. Unemployment is affecting 4 percent of the 12 million strong labor force. The auto industry, the biggest in Spain (after tourism), has been badly hit by unemployment.

Thousands of SEAT autoworkers (the biggest single industry of Spain) have been sacked. *Challenge* has reported many struggles involving these autoworkers. Autoworkers have been in the vanguard of the struggle against the crisis hitting capitalism. In the fall, when many contracts expire for workers here, important struggles are expected, in spite of the repression and the new law which has "legalized" strikes under such conditions that it is impossible to strike. Also, the millions of Spanish workers working in France, Germany and other Western European nations are being affected by layoffs in those countries.

The crisis of capitalism has ended all illusions about "liberalizing" the Franco's regime. The murder of the five anti-fascists was just Franco's usual bestial fascist mentality.

Franco's fascist brutality has too much exposed the horrors of capitalism and is prodding the working class of Spain toward a violent confrontation. This,

plus massive demonstrations all over the world, have forced some European governments (including the Vatican) and even butcher Luis Echeverria of Mexico to denounce Franco and to isolate him again. Only the U.S. and its lackeys like Pinochet of Chile have supported Franco during this period.

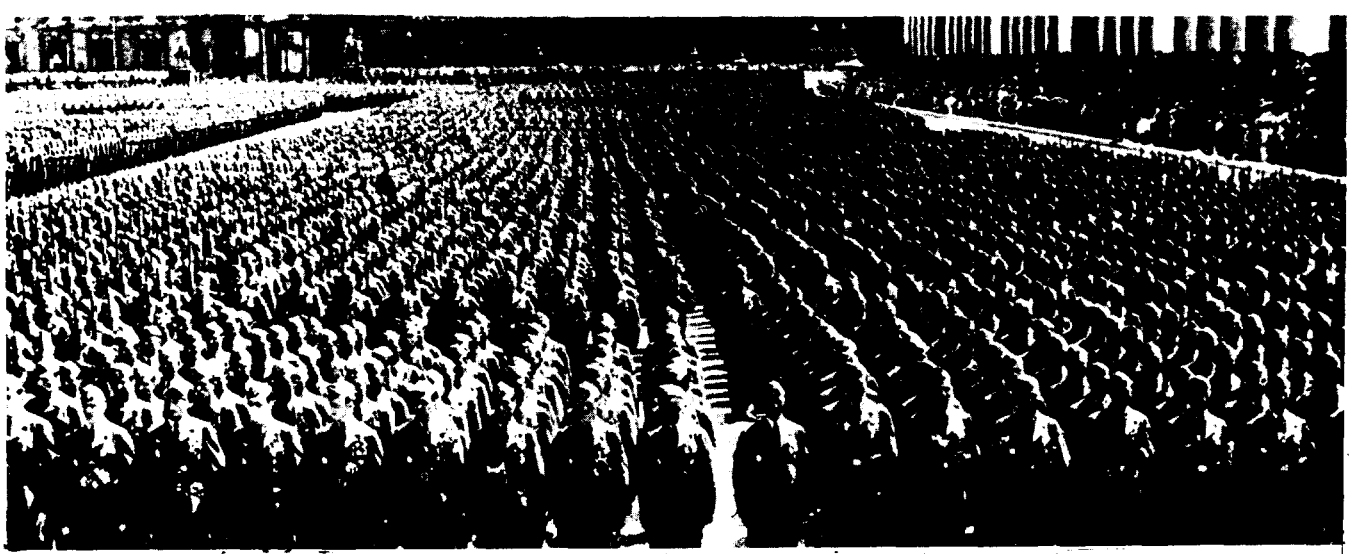
Spain is being hit by a contradiction which can only be solved by socialism. The army is suffering something similar to what happened to Portugal before April 25, 1974, in spite of Spain's not being affected by colonial wars as Portugal was. Many officers have been arrested for opposing Franco and for belonging to the Democratic Military Union, which (according to a N.Y. *Times* news item of October 15) has "1,000 military supporters, including 400 officers. . . ."

The Catholic Church does not support Franco due to the pressure of many priests who have joined opposition movements. A few years ago, a group composed of priests and Catholic workers broke with the Church and formed a Communist organization to the left of the "C"P called the Revolutionary Organization o Workers (ORT). Ther are also many leftwing groups with a base among the working class. Groups like the ORT or Spanish Communist Movement have somewhat of an influence on the Workers' Commissions, of which not all are controlled by the "C"P. The Spanish Communist Movement actually calls for a socialist revolution (in opposition to the "C"P and the Maoists), but has formed, along with the social democrats, a united front called "Democratic Convergence" and to a degree it has fallen in the same trap as the revisionists.

But the working class of Spain has a long history of struggle against capitalism and its ugliest form, fascism. The working class opposes fascism. The demonstration called by Franco on Oct. 1 in Madrid to show support for its regime and to repudiate the massive protests all over the world against his crimes had very little working class support. The U.S. press overnight changed its tone from saying there were a "million" demonstrators to a hundred thousand to, finally, "tens of thousands."

Franco is very isolated. He keeps himself in power with the aid of his fascist Civil Guard and Armed Police and with the aid of U.S. imperialism (Ford, Chrysler, IBM and many other U.S. companies have heavy investments in Spain) and the investments of other imperialists there. Even a section of the bourgeoisie tactically is against backing Franco any longer, and is probably getting ready to dump him like they did with the fascist Caetano regime in Portugal last year. They are faced with the dilemma of how to best control the working class and to avoid a socialist revolution. They know fascism is incapable of holding back the workers. However, Portugal has proved that once fascism is overthrown, the working class fights even harder for power. Also, the international crisis of capitalism has made it impossible to stop the workers after they have begun to struggle. They might try a new fascist regime (not necessarily led by Franco), but after suffering from decades of fascism it is unlikely that the Spanish people will peacefully allow this to happen.

On the other hand, the working class of Spain must build a true Communist Party based on the struggle for socialism and on no-alliances with any section of the ruling class. We are sure that the Spanish working class will be able to do this. Spain has a long history of struggle for revolution. Only socialism will bring freedom to all the people of Spain (even the ETA recognized that the Basque people will only be free under socialism).



Hitler's Condor troops, sent to fight a workers' army in Spain

PORTUGAL: FASCISM OR SOCIALISM?

The working class of Portugal is waging one of the most significant fights in the recent history of the international working class movement. The mass of the Portuguese workers, and the masses of peasants, students, professionals and intellectuals are on the side of the revolution. Almost everyone in Portugal is for socialism. Even the CIA-backed "Socialist" Party and the right wing Popular Democratic Party (PPD) give lip service to socialism. Again, the U.S. bosses, through their sinister and criminal CIA, is on the side of counterrevolution, trying to stop the mass upsurge of the Portuguese people. Its main weapon has been the so-called "Socialist" Party. "A State Department official said today that the CIA had been sending $2 million to $10 million a month to the Portuguese Socialists" (N.Y. *Times*, Sept. 27, 1975).

Since the coup that overthrew fascism in April of 1974, there have been six provisional governments here, none of which have been able to stop the workers and their allies.

The situation in Portugal changes so rapidly every day that past developments become almost obsolete from day to night. The Armed Forces Movement which overthrew Caetano is gone. The Armed Forces are completely divided, with the mass of soldiers and many officers on the side of the working class, while certain sections of officers are on the side of the right wing Azvedo government. The Soldiers United Will Winn of SUV (a mass rank-and-file soldiers' organization) was formed in late August when the government was formed and has already won the support of the masses of soldiers. "On Sept. 25, 12,000 soldiers (one fifth of the whole Portuguese army) led a demonstration of 100,000 workers shouting "Reactionaries out of the barracks!" and "Portugal won't become the Chile of Europe!" (*Challenge*, Oct. 16, 1975). The Azevedo government reacted by forming the Military Intervention Forces (AMI) to try to counter the COPCON troops led by the opportunist Carvalho, who tries to pass himself as a radical and has dreams of his own to become "a savior."

Most of the COPCON soldies are left-wingers and have constantly sided with the workers and revolutionaries whenever they have been sent to intervene against the workers as in the seizing by its workers of the *Republica* newspaper.

The Azevedo government has very little support among the Armed Forces. Only a few of the military units are on his side. This has led to a change from the hard-line his government originally took against revolutionary soldiers who forced the re-opening of a leftist army unit in the northern industrial city of Oporto, after it was disbanded by Ontojio Pires Veloso. "The agreement with the rebels was seen as a blow against Brigadier Veloso's disciplinary drive and against the group of moderate officers in the Government with whom he is associated" (N.Y. *Times*, Oct. 15).

This retreat by the fascists was due to the actions taken by rank-and-file soldiers and their leftist supporters. In Oporto, they took over the Serra de Pillar artillery base, flew up red flags, and beat back attacks by fascists led by the PPD. This base is key to the whole northern region. It has heavy artillery and 700 tons of light weapons and munitions. Oporto was supposed to be a stronghold of the right wingers. The people of the city backed the soldiers.

The sixth provisional government is a government without soldiers and without mass support. At the same time the soldiers took over the base "hundreds of thousands of steel, auto and heavy machinery operator workers went out on a three-hour general strike, demanding a 23 percent wage increase owed to them and clearly opposing the new right-wing government. The workers marched chanting 'if the bosses want a civil war, we are ready to fight them' and 'down with capitalist exploitation!'" (*Challenge*, Oct. 23, 1975).

Prime Minister Azvedo had to go on nationwide radio on Oct. 13 to plead for austerity among the people, claiming the "country could not afford wage increases." The government that promised the "stick" had to turn to pleading since the people rebelled against it.

As a matter of fact, the situation in Portugal has reached such a point that the working class and its allies could easily take over power. The only thing stopping this is the sellout practices of the "Communist" Party and the support it still has among many workers.

"C"P: BOSSES' TOOL

The "Communist" Party of Cunhal has tried to gain power, but not for the working class, as it proved while it was a majority in the Fifth provisional government, using the workers only as a tool. After its opportunist practices left it without any clear support and when the right wing started mass anti-communist hysteria (led by the "Socialist" Party and the PPD and aided by the Maoist "Communist" Party ("marxist-leninist") and also the Maoist Movement for the Reorganization of the Proletarian Party or MRPP), Vasco Goncalvez (the "C"P backed Prime Minister) was forced to resign and the fifth government dissolved in August leaving the "C"P with only one minor post in the succeeding government and without power.

The "Communist" Party was the strongest and best organized political group during the fascist regime.

Avante, newspaper of the "C"P, came out regularly for forty years in spite of the attempts by the fascists to silence it. The "C"P started suffering splits to the left during the 1960s when it refused to wage violent struggle to overthrow fascism (in spite of its lip service to revolutionary violence and its forming of an armed branch). Most of the groups to the left of the "C"P did not have any support among the workers.

When the fascist regime was overthrown, the "C"P was in the best position to control the workers' movement. It bureaucratically took control of many unions and many local government offices, and it attacked leftists who attacked their sellout tactics. Since the overthrow of fascism, the "C"P and its union sellouts and ministers opposed every single major struggle waged by the most militant sections of the working class. Last summer, the "C"P sent scabs to try to break a strike by communication workers. The "C"P insulted militant workers fighting for higher wages, a 40 hour work-week, and against unemployment calling them "fascists" and "provocateurs." It called on the workers to "win the battle of production" to counter the increasing economic crisis of the bosses' economy. Many workers were disillusioned with the "C"P and abandoned it. Some joined leftwing groups. A few fell for the anti-communism of the "Socialist" Party.

The "Socialist" Party became the hope of the ruling class after the "C"P was not able to hold back the working class. The Soares-led "Socialist" Party did not even exist as a real organization on April 25, 1974. It was formed in Paris by Soares and other intellectuals and had very little support among the workers. For a while, it was actually built-up by the "C"P as a "leftist" organization. At the beginning of the post-April 25 period, the "C"P provided the masses for the Soares' rally, who then put forward a pseudo-leftist line. But Soares was an agent of imperialism, as was proven by the funds provided by the CIA for it. It represented the section of the ruling class closer to Western European imperialism, and when the "C"P failed, it tried to take over its role. It has been pretty unsuccessful at it.

At the moment the Portuguese economy is in shambles. Unemployment affects more than 300,000 workers, and with thousands of refugees coming from Angola, it is increasing every day.

HOW FASCISM WAS OVERTHROWN

Caetano was overthrown by the bourgeoisie who found his colonial wars and his fascist regime too much of a burden in the capitalist growth of Portugal and of its holdings in Africa. The biggest monopolies of Portugal, the CUF, the Champalimaud and the Spirito Santos groups, controlled most of the economy and had great holdings in Africa. They realized that colonialism was reaching an end and that if they did not come to a compromise in the African colonies, they would lose everything. These bosses gave support to Antonio de Spinola, a well-known fascist who fought on the German side in the battle of Stalingrad and who waged a genocidal war against the people of Guinea-Bissau. Spinola proposed self-determination for the colonies but still under Portuguese control. The bosses expected to save its holdings in Africa, especially in Angola, rich in minerals and natural resources. They knew that open colonialism was coming to an end. (In Angola, the Portuguese knew it was their end, since the U.S. was supporting Roberto's FNLA guerrillas and the Soviet Union was backing the MPLA. A full civil war is now taking place between these two groups plus another group, UNITA. The MPLA is winning with the help of the Soviet weapons, while FNLA and UNITA—in spite of massive aid by the CIA and China—are being defeated.)

But it wasn't Spinola who overthrew Caetano. It was a group called the Armed Forces Movement, formed by 400 officers who were tired of fighting colonial wars for a class they did not belong to. These officers, many of them recent recruits from the petit-bourgeoisie (any university student recruited into the Portuguese military service immediately became an officer. The universities during the 1960s became in Portugal, as in the rest of the world, a center for leftwing ideas). The petit-bourgeoisie has always been a transitional class which when on occasion attacked by the big bosses join the ranks and of the working class but it also tries to lead the working class movement for its own reasons. This class is also very weak and vacillates a lot, specially in a period of struggle. That was the reason while the AFM became obsolete and SUV was formed.

Soldiers United Will Win held its first big demonstration in Oporto. Two thousand soldiers demonstrated along with tens of thousands of workers and students chanting "the soldiers always on the side of the people." The participation of so many soldiers was a rebuff to the officers who in one case locked the doors of a barracks to stop soldiers from joining the demonstration. The demonstration was built by a leaflet given out in all the barracks which stated "Our fight is part of the great struggle for popular power, for power to the workers."

Since then many officers have joined with rank-and-file soldiers (mostly of working class or peasant background) and others have joined the right wingers. An example of the first is Captain Alvar Fernandez who called for the "destruction of the bourgeois armed forces and for class warfare within the military" and for the formation of "revolutionary people's power." Fernandez said in a broadcast that

You Can't Tell the Players without a Scorecard

Sometimes all the initials and names get confusing. This box should explain some of them.

P"C"E: Communist Party of Spain. Revisionist Party led by Santiago Carrillo.

ETA: Homeland and Liberty. Basque group, some of whose members were shot by Franco in September.

FRAP: Revolutionary Anti-fascist and Patriotic Front. A group formed by the Maoist PCE (m-l) or Communist Party of Spain (marxist-leninist), some of whose members also were shot by Franco.

MCE: Spanish Communist Movement. *ORT:* Revolutionary Organization of Workers. Two groups to the left of Carrillo's group and part of the "Democratic Convergence," a united front of these two groups and some social-democrats preparing a government after fascism is kicked out of Spain.

Junta Democratica: the biggest opposition group to Franco which has formed a government-in-exile to take over after Franco. The main organizer is the P"C"E.

P"C"P: Communist Party of Portugal. The revisionist party led by Alvaro Cunhal.

Salazar: Dictator of Portugal who died a few years ago and was succeeded by Caetano, who is now living in Brazil.

Spinola: President after Caetano was kicked out. Left Portugal after an attempted fascist coup on March 11 was smashed by united workers and soldiers . He is now in exile, heading the so-called Democratic Movement for the Liberation in Portugal. He is threatening a civil war there.

Carvalho: Opportunist colonel, head of the COPCON (best organized Army group in Portugal with many workers with left wing leaning). Carvalho supported the reactionary "group of nine" officers who headed the reactionary campaign of August and finally imposed the Sixth Provisional Government headed by Azevedo that now rules Portugal. Carvalho now is changing sides again. He was considered a "radical" by some leftwing groups like the UDP and PRP—BR.

PRP—RB: Proletarian Revolutionary Party—Revolutionary Brigades: Responsible for the formation of the Revolutionary United Front (FUR). Well-armed group which calls for socialism and for the dictatorship of the proletariat but which still has illusions about turning the "C"P to the left.

MES: Movement of Socialist Left: group to the left of the P"C"P with some influence among workers. It also calls for socialism and the dictatorship of the proletariat

UDP: Popular Democratic Union: A Maoist electoral group which won one seat at the Constituent Assembly election last April (the only left-wing group to do so). It limits itself to calling for "independence" and "people's democracy" not for socialism.

ORPC: Organization for the Reconstruction of the Communist Party, m-l. A Maoist group, main organizer of the UDP, which has united with two other Maoist groups to form a new Communist Party. It is also limited by its call for "people's democracy."

PCP (m-l): The Maoist group officially recognized by Peking. It has an extremely reactionary line and is united with the CIA-Backed "Socialist" Party and the fascist Popular Democratic Party against Cunhal's "C"P.

MRPP: Movement for the Reorganization of the Proletarian Party: The best known of all the Maoist groups in Portugal. It publishes a daily paper called *Luta Popular.* It is extremely sectarian and has attacked the P"C"P violently. Hundreds of its members were arrested during the "C"P-controlled Fifth Provisional government, led by Vasco Goncalvez. It also has viciously attacked all the other left-wing groups. At the beginning of October, one of its members drowned during a fight with members of the UDP. It joined afterwards with fascists to attack the offices of the UDP in the city of Oporto. It was probably the only group which correctly called the now defunct Movement of the Armed Forces a reactionary group. It is still limited by its extreme sectarianism and by its call for a "people's democracy" and not for socialism.

FEC ("m-l"): Electoral Front of Communists ("marxist-leninists"): front formed by the Organization of Portuguese Marxist-Leninst Communists, another smaller Maoist group.

LUAR: League of Revolutionary Unity and Action. A well-armed semi-anarchist group.

P"S"P: Portuguese "Socialist" Party. A reactionary group led by Mario Soares, which has been the stalking horse for the fascist drive in Portugal. It has received funds from the CIA.

PPD: Popular Democratic Party: a fascist group.

CDS: Democratic Social Center: another fascist group.

ELP: Portuguese Liberation Army: an armed underground group formed by ex-member of the PIDE (Gestapo of the Caetano-Salazar regimes).

FUR: Revolutionary United Front: the biggest left-wing group, formed by six different left-wing groups excluding the Maoist and the Cunhal "C"P (although a "C"P front, the MDP, is part of it). It has been the most active group during the mass upsurge of workers and soldiers during the fall against the reactionary drive by the sixth provisional government.

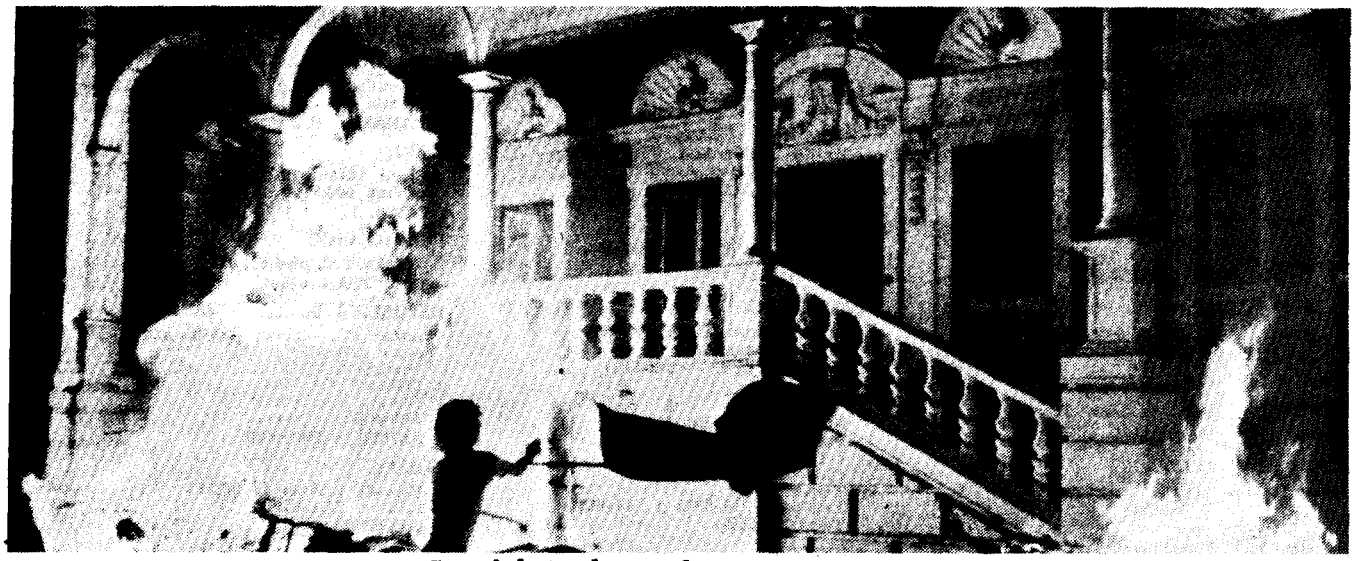
SUV: Soldiers United Will Win: a mass rank-and-file soldiers organization leading the mass soldiers' rebellion against their reactionary officers.

MFA: Movement of the Armed Forces: officers' group which ruled after fascism was defeated on April 25, 1974. It is now defunct and many of its members have gone to the right while others have joined left-wing soldiers and workers.

MPLA: Popular Movement for the Liberation of Angola: Soviet-backed guerrilla movement which is at war with the other groups there.

FNLA: National Front for the Liberation of Angola: right-wing guerrilla group backed by Mobutu, the CIA and Chinese weapons and training. It is at war with MPLA for control of mineral rich Angola.

UNITA: National Unity for Total Independence of Angola: another group at war with MPLA. It is backed by South Africa, the U.S. and China.



Spanish Embassy burns in Lisbon

the Armed Forces Movement "was now under the leadership of officers representing a minority. He said it should be replaced by an organization 'legitimately representative of the majority!'" (N.Y. *Times*, Oct. 14). This same Captain went underground two weeks before and gave more than a thousand weapons to a left-wing group here (the Revolutionary Brigades-Proletarian Revolutionary Party).

Also, the fascist Caetano regime was being hit by the economic crisis which has affected most capitalist countries since 1973. The class struggle was also strong inside Portugal in spite of the fascist repression led by the local gestapo known as PIDE. In 1973 inflation rose to 21 percent, second only to Greece among European nations. In 1974, before the fascists were kicked out of power, forty major strikes took place in textiles, engineering and other industries following a successful struggle by the maintenance workers of TAP, the national airline, in July 1973. The TAP workers won some of their demands by resorting to extraordinary methods of struggle in the teeth of vicious repression. At one point they seized a Boeing plane and by the end of the struggle two workers had been shot by the PIDE cops (*New Left Review*, September-December 1974).

MASS TURN TO THE LEFT

The overthrowing of this fascist regime led to a complete upheaval of the Portuguese society. Workers took advantage of their new freedom and started waging militant struggles. Workers started cleaning their factories of fascists. This process (called *saneamento*) took place in schools, universities, government offices, newspapers, and all over. The workers also started to demand more and more reforms (higher wages, shorter work-week, etc.) and to turn more and more to the left. Rank-and-file workers' organizations grew and many workers joined groups to the left of the "C"P. The New Government was forced to break down monopolies owned by the CUF, Champalinaud, Spirito do Santos bosses and by U.S. British industrialists. Landless peasants started to take over landholdings. especially in the South. The big bourgeoisie tried to stop this with a coup on Sept. 28, 1974. Spinola called for a massive march to Lisbon "against anarchy" by the "silent majority."

But, the workers mobilized against it and set up barricades searching all cars coming into Lisbon. Railway workers refused to transport anyone coming to this fascist demonstration. The day of the announced demonstration (Sept. 28), thousands of workers, led by Lisnave shipyard workers, the TAP maintenance workers, and communication workers, took to the streets to stop the fascists. Those same workers who were called "reactionaries" by the "C"P when they went out on strike for higher wages and for a forty hour work-week, defeated the fascists. Spinola was forced out of the presidency.

But the fascists didn't give up. Again on March 11, 1975, Spinola tried another coup. But, again the mass mobilizations of the working class and the lack of support among the soldiers, destroyed the plans of the fascists and Spinola fled and is now living in exile in Brazil and dreaming of a return to fascism.

Immediately after the coup, hundreds of thousands of Portuguese workers held mass meeting to demand further action to press home the revolution. Here are some examples of the resolutions they passed.

The Draughtsman's Union said that reaction was able to act to a great extent because of the lack of revolutionary action from the Provisional Government."

The leadership of the Electrical Workers' Union of the south said: "There is one lesson to be learnt: it was the hesitation of the organs of power that gave the fascists an opportunity to reorganize."

After this second fascist attempt, the "C"P got strongest representation inside the government. A section of the ruling class was hoping to use the "C"P to hold back the working class movement. It failed. The "C"P, being part of the government and opposing all the way all the workers' struggles, lost support among the masses. For a while some workers went to the side of the "Socialist" Party and gave it a majority during the Constituent Assembly elections of April, 1975.

But deterioration of the economy and growing unemployment, plus the increasing turning to the left of the working class, forced even that section of the ruling class supporting the "C"P to dump it and start a campaign in August against the "C"P but really attacking the working class. For this, they used Soares and the funds provided by the CIA and the West European social democratic governments (Sweden and West Germany). Known fascists joined the "Socialist" mobs in a rage of anti-communism. The "C"P found itself without support among the workers and without support among the ruling class (opportunism really *doesn't* pay) and was kicked out of power.

The 6th Provisional Government came to power and rapidly was supported by Soares, the PPD, the U.S. (which agreed to give it millions in aid) and the Common Market imperialists (which also agreed to give it millions in aid plus the support of NATO). But it has lacked the support of the working class and the masses of the people as shown above.

THE FUTURE OF PORTUGAL

The reality is that capitalism is so weak in Portugal and the working class is so strong that the only thing holding back the takeover of power here is the lack of a revolutionary working class vanguard (a real communist party) to lead the fight for socialism.

Workers' councils are growing all over the country. Soldiers' Councils are also growing, and the same growth is happening among agricultural workers and in neighborhoods. These councils are expanding rapidly and have the opportunity of becoming mass organizations uniting the majority of the exploited population of Portugal. (Four fifths of the active population are wage and salary workers. Slightly over half of the active population is proletarian, working in factories, shops and farms. Most of the agricultural proletariat—about one quarter of the proletariat as a whole—is in the central and southern parts of the country where the left is very strong. The northern part of the country is a region of small, semi-subsistence, family operated farms, very poor, backward and very influenced by the reactionary Catholic church. The failure of the governments following the overthrow of fascism led many of these people into the hands of reactionaries. But most of them can still be won as Oporto, the most important northern city, showed, being on the side of the left wing during the occupation of the artillery base in the first week of October).

The "Communist" Party, whose active membership grew from 5,000 before April 25, 1974 to over 100,000 after that date and who have lost recently many members to other left-wing organizations, would lose what little control it still has on the working class if a real Communist Party is created to lead the revolution to socialism and to the dictatorship of the proletariat (last year the "C"P dropped the dictatorship of the proletariat from its program).

THE LEFTWING GROUPS

There are many other groups which claim to be to the left of the "C"P. There are several Maoist groups. The best known are the MRPP and the Communist Party ("M-L"). The MRPP is incredibly sectarian and actually joined "tactically" with the CIA-backed Socialist Party to get rid of the "C"P (called social fascists by them). The MRPP has a mostly student base and is hated by most of the other leftwing groups. Although it seems to be to the left of the "C"P, it is actually very right wing, calling for a "people's democracy" as a first step towards socialism. During the first week of October, when the workers and soldiers were fighting the Azevedo government, the MRPP attacked another Maoist group (the Democratic Popular Union or UDP) in Oporto, after a fight between these two groups led to the drowning in Lisbon of a member of the MRPP. The MRPP consider themselves the only "Communists" in the history of Portugal (disregarding the heroic fight waged by the Communist Party before the revisionists took control of it) and consider all other leftists their enemies.

The CP ("M-L") is the most right-wing group of all the Maoists. This grouplet, the only one recognized by the Chinese, actually supports openly the CIA-backed "Socialist" Party basing this support on the Chinese foreign policy which supports NATO and the U.S. against Soviet social-imperialism. The CP ("M-L") program, as published in its newspaper *Unidade Popular* No. 45 called for: an "end to leftwing activities; respect of democratic order; respect of international agreements as the one with NATO; control of wage increases; restructuring of the state apparatus" (toward fascism). This group obviously

lack any support among the working class and is very small.

In August, three Maoist groups—the ORPC (Organization for the Reconstruction of the Communist Party), the Marxist-Leninist Committee of Portugal, and the Organization of Marxist-Leninist Communists of Portugal—joined in a call for a Congress to reconstruct the Communist Party of Portugal. The ORPC, the biggest of all the three groups (itself formed by the unity of three previous groups) formed at the beginning of the year an electoral front called Democratic Popular Union (UDP). The UDP has the biggest base among workers of all the individual leftist groups here. Its program though calls for a "people's democracy." *The Congress Tribune*, the organ of all these groups that united to form a new CP, itself reflected this line by not calling for socialism and instead reducing themselves to calling for "freedom and national independence." Socialism or the dictatorship of the proletariat are not even mentioned in the first issue of this organ or in the call signed by all these groups.

The main problem behind these groups calling themselves Maoists is that the reactionary line of China (calling for the strengthening of NATO and the Common Market to oppose the Soviet imperialists and uniting with the U.S. in Portugal itself, supporting Soares through the PCP ("m-l") and in Angola supporting the CIA-backed FNLA) will never allow them to become anything more than militant revisionists.

LISBON--Portuguese soldiers have joined in mass with workers demanding a socialist revolution

The largest left-wing group, and the most influential during the struggle waged in September and October against the Sixth Provisional Government is non-Maoist, the Revolutionary United Front (FUR), formed by several organizations. FUR has apparently led the organizing of the massive demonstrations of workers and soldiers against the crackdown of the Azevedo government. (During this period the many Maoist groups were incapable of leading the struggle.)

Inside the FUR, the biggest group is the Proletarian Revolutionary Party—Revolutionary Brigades (PRP—BR) led by Isabel do Carmo. This group split from the "C"P in 1969 and distinguished itself during the Caetano regime by blowing up a BATO base in Fonte de Telha and robbing millions from banks.

Although the PRB-BR calls for the dictatorship for the proletariat and it is the best armed group here, preparing itself for a confrontation with the ruling class, it is still hampered by its belief that it can force the "C"P to turn left. At first the FUR included the "C"P (which called it the Popular United Front), but it left it after a week when it had no more use for it. The PRB-BR also flirted for a while with opportunist officers like Carvalho, head of the CONCOP military unit. Also the FUR is still partially linked to the "C"P through its front group, the Popular Democratic Movement (MDP). The PRB—BR's positive aspect is that it says that the "socialist revolution with the the taking of power by the proletariat can be the solution. But this is only possible by its organization for revolutionary violence. Only the revolutionary violence of workers can counter the economic social and political violence of the bourgeoisie. Only through violence can power be wrested from the bourgeoisie. The struggle for the socialist revolution in Portugal is not an isolated sturggle; it is an integral part of the internationalist struggle of the proletariat against imperialism . . ." (Documents of the PRB—BR, 1971-74.)

The PRP is hampered by its chauvinism, claiming to be the builders of the first socialist revolution and undermining the struggle of the Soviet workers for socialism. Isabel do Carmo, head of the group, was quoted in the N.Y. *Times*, Oct. 14: "For the first time in the world we are working out a real socialist revolution. The Soviets couldn't do it, there were too many illiterates in Russia, so the Communist Party made all the decisions." Socialism was built in the Soviet Union and although it was defeated by the new "Red" bourgeoisie, it still has some very rich lessons, positive and negative, to offer all revolutionaries.

Another group to the left of the "C"P with a big base among workers is the MES or Movement of the Socialist Left, which also calls for a socialist revolution in opposition to the "democratic"

Paris, 1975. Millions of the world's workers protested the killing of 5 anti-fascists

revolution called by the "C"P and the Maoists.

MES started in 1969 as a Catholic movement against the colonial wars. Last year MES declared itself a communist movement. A rightwing faction left MES and became part of the government. MES is one of the largest leftwing movements outside the P"C"P here. It has a strong base among textile, electronic and airline workers. It also has a lot of influence in the rank-and-file soldiers movement SUV.

There are also small Trotskyite sects with no significant base among anybody. Actually the U.S. Trotskyite SWP supported the CIA-backed "Socialist" Party as an upholder of democracy. The SWP supports an insignificant group in Portugal called the Revolutionary Workers Party (PRT).

There are also thousands of workers who believe in the fight for socialism but who are not aligned with any group.

Out of all these workers, a new communist party can be built to lead the fight for socialism.

LESSON FOR ALL WORKERS

The international working class must support the struggles of the working class of the Iberian peninsula. If both Portugal and Spain's workers win a socialist revolution, a whole new revolutionary movement based on the struggle for socialism will grow worldwide.

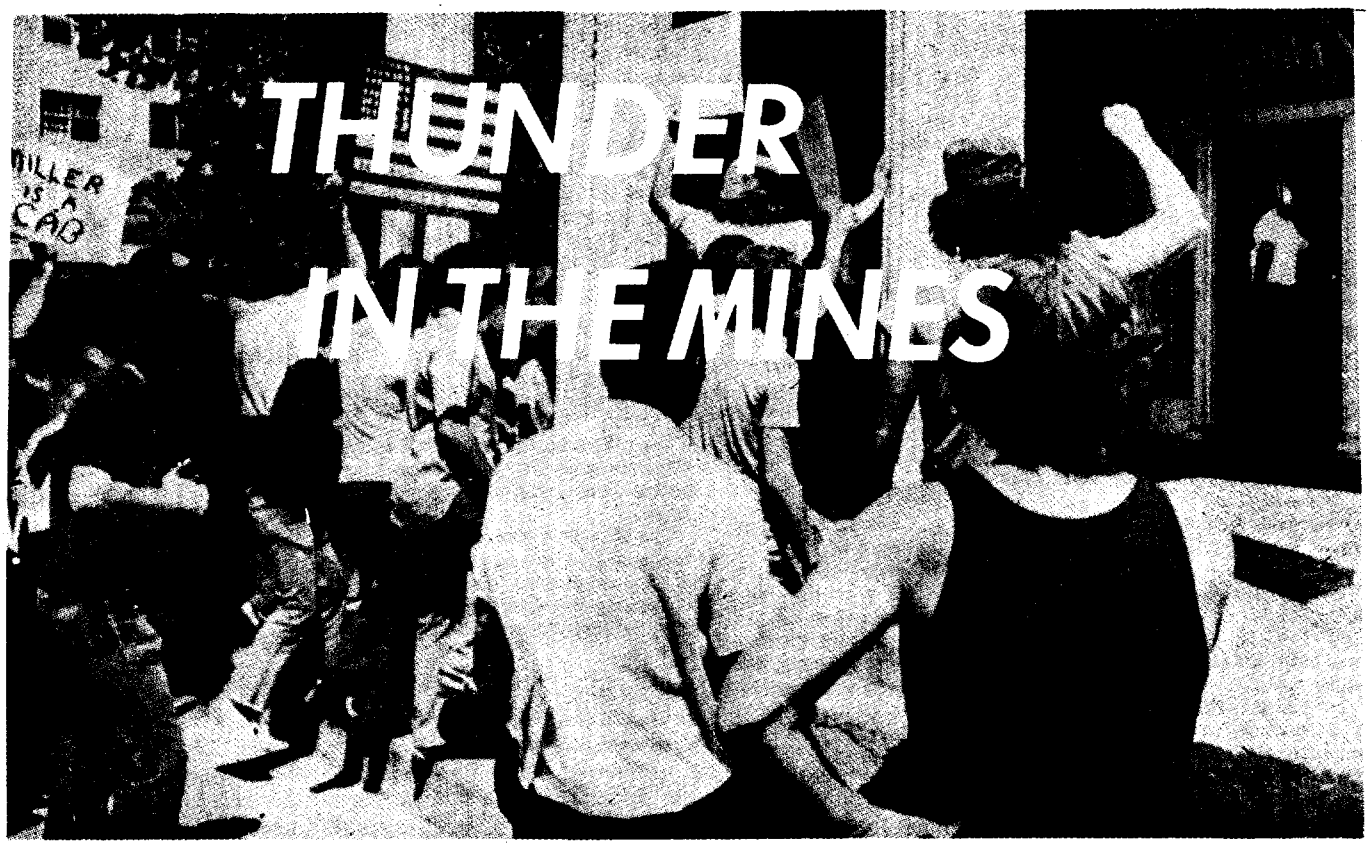
Workers in the U.S. must step up their struggles to stop the CIA and the U.S. intervention in these countries. History has shown us that imperialists won't give up easily. The U.S. has proved itself to be the most criminal of all modern imperialisms and has already stepped up its activities in that area. CIA director William Colby visited Madrid this summer and coordinated plans for the whole peninsula, including aid to Spain's counterinsurgency program (*Manchester Guardian Weekly*, Oct. 11).

Portugal has also proved that in spite of "detente" and Helsinki and other "peace" agreements between the U.S. and the Soviet imperialists, these two imperialists will fight each other to the end to gain control of the world.

As we said at the beginning, things are changing rapidly. The workers of the Iberian peninsula must win socialism. Without the fight for the dictatorship of the proletariat, Portugal will become the Chile of Europe.

Victory to the Portuguese and Spanish workers! Out with the CIA and all imperialists! Death to fascism! Smash revisionism! Fight for socialism!

(This article was written by a PLP member who was in Spain for several weeks recently.)



The current class struggle in the coal fields is a classic example of how liberal-led reform movements can pave the way to fascism. Similarly, it also is an example of why workers' mass action needs communist ideas and leadership to defeat fascism, guarantee immediate gains and—through such a struggle—fight for revolution. Essentially the struggle within the United Mine Workers (UMW) is one of the Miller class-collaborationist forces pushing a pro-boss ideology vs. the fundamentally anti-boss actions of the rank and file which require a *strategic* anti-boss ideology to win.

In a previous article in Progressive Labor Magazine we detailed how the current leadership of Arnold Miller rose to power within the UMW. Essentially it stemmed from very real issues affecting the miners, especially unsafe conditions in the mines—particularly black lung—and the lack of any semblance of democracy within the union through which rank-and-file miners could exercise their strength to fight for their needs.

Seeing miners taking to the streets over the black lung issue, and seeing how the absolute corruption of the Boyle leadership was impelling miners to press for new leadership, a group of reformers around Jack Yablonski (part of the leadership that had participated in the corruption) sprang up to lead a "revolt" against Boyle. Aging Tony handled that the only way he knew how—he had Yablonski (and his family—potential witnesses) killed. This, of course, only strengthened the reform forces as it exposed Boyle still further among the rank and file.

Miller took up the Yablonski mantle but not from "the ground up" as claimed. Rather, the Miller forces depended upon the backing and organization of liberal Washington lawyer Joseph Rauh Jr. In turn Rauh drew his backing, especially money, from liberal foundations. And, as we showed in our previous article, the foundations represented, among others, the Rockefeller financial interets, which are among the biggest owners of coal mines in the U.S.! To have a "rank-and-file" reform movement heavily funded by the bosses is, of course, a contradiction in terms. Unfortunately most miners were not aware of these circumstances, and many of those who were felt they could "use the bosses' money" to work for them. As we shall see, this is impossible.

The Miller forces were elected in a balloting supervised by the U.S. government, another sign that the reformers were depending on the rulers, not the miners, to take power in the UMW. It was not the rank

and file who insured their own democratic will; it was the U.S. Labor Department—and the Labor Department isn't interested in democracy for workers.

The first big exposure of the nature of Miller's "reform" appeared during the 1974 contract fight. The reformers had championed union democracy in the drive against the Boyle forces, particularly the right of the rank and file to vote on contracts and to elect District Representatives, something denied them under the regimes of John L. Lewis and Boyle. And here was Miller bringing back a new contract to the rank and file for its consideration with the claim it was "the best contract ever won by the UMW."

Well, the miners weren't so sure about that. Initial samplings of opinion in the coal fields brought out that the rank and file might very well veto this contract and stay out on strike, while demanding more. (In fact, the miners had jumped the gun in starting the strike initially. Their biggest objection was the apparent outlawing of the right to strike over grievances throughout the life of the new contract.)

Miller was enraged. Hadn't he "given" the miners the right to vote on contracts? Now they had the "audacity" to exercise that right! The least they could do—Miller implied—was to show their appreciation by rubber-stamping a sellout settlement. While the bosses said they wouldn't renegotiate the "best ever" contract (after all, with all this "democracy" Miller should be able to control the rank and file), Miller indicated that an actual vote and rejection of the contract would make it even harder to exercise this control. So he didn't bring it to a vote (the International Executive Board, for their own opportunistic reasons, had rejected it) and took his "best ever" agreement back to the bosses for polishing up.

These maneuvers resulted in an all-out drive for acceptance of a re-negotiated "even-better-than-best-ever" contract, which, through various machinations employed by union sellouts since time immemorial, won a narrow "yes" vote margin. A sizeable minority—over 40 per cent—of the rank and file rejected it, officially. In a balloting run by the membership, it no doubt would have been defeated. In this way, the miners got their first big taste of the reformers' idea of "union democracy."

The next big taste came with the carrying out of the contract's provisions. The bosses viewed the contract as an invitation to increase profits at the miners' expense. The rank and file reacted in their traditional way—wildcatting. But the bosses immediately rushed to their courts to get injunctions and penalties against the wildcatters. The miners were up in arms. The "new" grievance procedure of this "best ever" contract was helping the coal barons suck the miners' blood.

While Miller pleaded hat in hand with the bosses to establish various "neutral" grievance and arbitration bodies, the rank and file took matters into their own hands. Led by miners in Logan County, West Virginia, striking to win back the job of their fired local president (who, appropriately enough, was fired while organizing workers to fight a grievance violation), nearly 100,000 struck mines in eight states. The main demand was the right to strike over grievances (which had been officially outlawed in the new contract) and to be free of boss-inspired court injunctions. This massive wildcat was the high point of what the Miller leadership admits was a sharp increase in wildcats during the first eight months of 1975, up more than 40 per cent over the 1972-1973 period, under the *old* contract. Obviously the miners had every reason to disbelieve the "great features" of the latest sellout and were expressing themselves in the most direct way workers know to exercise union democracy—wildcatting.

The bosses launched a big drive to quell the wildcats, but they couldn't do it by themselves; they needed the help of the Miller leadership (who they accused of dragging their feet). They got it. Miller and the Executive Board (supposedly "split" over power in the leadership) united as one to crush the strike. They threatened to deny benefits to miners on strike; ordered the strikers back or face doing without union legal defense; told miners to cross picket lines; asked local officials to report miners' names who organized wildcats and picketed other mines. The reformers went through the coal fields—after the strike had been on for a month—campaigning for a return to work, threatening to get militants and strike supporters fired (and, at the very least, expelled from the UMW).

Although the miners answered these strike-breaking tactics with militant mass action—mass demonstrations at the courts, district union headquarters and company offices; winning confrontations with the cops; closing non-struck mines with guns; picketing supermarkets who refused to contribute food to the miners' defense; blocking railroad tracks carrying scab coal; and backing a black local union leader who, at first, defied a court order to get the strikers back and was jailed (an impressive display of black-white unity)—all this was not enough to sustain the strike until they could win their demands.

The liberal "reformers" wound up at least as violent strike-breakers as the right-wing "reactionaries" they replaced. Why? A careful examination of the "10-Point Program" put forward by Miller and the Executive Board reveals that behind the facade of democracy the reformers take *a pro-boss class position on every single issue.* This is to be expected from a leadership that was financed

Communist labor group attempts to organize area mine workers

Urging an end to "bossism," the communist-oriented U.S. Progressive Labor Party is attempting to organize within the United Mine Workers union in the area, using the means of public meetings and literature distribution to put their story across.

The PLP held a public meeting at the Archer Township Hall, Saturday afternoon, promoting the meeting by distributing leaflets on Cadiz streets that morning and through newspaper advertising.

persons, including two newspaper reporters and 10 PLP members from outside the area. At the meeting, PLP statements were presented and members of the group complained of "harrassment" by Cadiz police Saturday morning.

The first public contact with the PLP came Saturday morning when more than a dozen representatives took to the streets of the Cadiz business district to distribute leaflets and sell the party publication "Challange."

A representative said the group also began to distribute its material from the A & P Super Market parking lot, but were asked to leave — and did so when they learned the lot was not public property.

Later that morning, acting on a "citizen complaint," police chief Robert Edgar attempted to halt their activity near the corner of Main and Market Streets, and took three of the members to the police station, where they waited "about an hour." Edgar called village solicitor Geoffery Mosser and after a discussion of the situation and an in-

Continued on A-2

Leftist Labor Branch Formed

By BOB TERRY
News-Register Staff Writer

A branch of the Progressive Labor Party was more or less formed Saturday afternoon in Cadiz but not until its birth weathered an official storm.

Eight workers prior to the party's meeting were stopped from selling the official newspaper, "Challenge, the revolutionary Communist newspaper," on the village square.

After about 90 minutes, Village Solicitor Geoffery Mosser ruled the sales could go on. Police Chief Robert Edgar had attempted to stop the sidewalk sale of the PLP publication.

With this as a starter, there were 12 persons gathered in the quaint Clear Fork School House alongside Route 9 north of town to initiate the Harrison County "branch" of the PLP.

Actually, the party has one member in the coal fields of Harrison County.

He is John Woods, from Jewett, an employe of the Franklin No. 25 Mine of Consolidation Coal which has been on strike since last Tuesday

Woods, reading a statement covering about 12 pages, called for solidarity against what he called a move toward "fascism" by leaders of the United Mine Workers.

Derek Pearl, a PLP member from Pittsburgh, congratulated the dozen persons for attending "a convention like this."

He, too, urged the party line be followed.

Pearl claimed the PLP offered a "better life for the worker" who embraced the Communist philosophy.

"Even if you don't like Communists, they are the only ones who will fight their way through," Pearl claimed. He is a member of a jewelry workers union in New York City.

He currently lives in Pittsburgh, is unemployed and originally came to the United States from Great Britain in 1951, he told reporters.

All dozen of those assembed in the antiquainted one-room schoolhouse with its out-of-tune piano, were union workers.

It was appropriate that the birth of the party took place in this setting, perhaps.

On one wall was a portrait of George Washington. On another, the late Charles Lindbergh in his flier's outfit standing beside his monoplane, "The Spirit of St. Louis."

Only Woods was a resident of Harrison County. The others were party members from Columbus or Pittsburgh.

That they were foreign to the area was obvious.

Most of them referred to the county seat as "Kuh-dizz" in relating their difficulties with the authorities.

Woods, a UMW member, said the PLP had no plans to promote violence in the coalfields.

Rather, he said, they would depend on word of mouth to defeat a UMW leadership 10-point program advanced last week covering procedures union members should follow to halt wildcat walkouts.

PROGRESSIVE LABOR PARTY PLP

invites all workers to a Forum.

UMWA and U.S. Trade Unions

Democracy or Fascism?

Saturday, October 18th at 2 p.m.

Archer Township Hall, Rt. 9, between Cadiz and Jewett.

Meeting Will be open for discussion.

P.I.A.

United Mine Workers of America

ARNOLD MILLER
PRESIDENT

TELEPHONE
AREA CODE 202-638-0530

UNITED MINE WORKERS' BUILDING
900 FIFTEENTH STREET, N. W.
Washington, D.C.
20005

TO ALL OFFICERS AND MEMBERS OF THE
UNITED MINE WORKERS OF AMERICA

Dear Sir and Brother:

At its latest meeting of September 8, 1975, the International Executive Board overwhelmingly adopted new policies and procedures relating to unauthorized work stoppages. The Board based its action upon the study and recommendations of a special International Executive Board Commission which I established and which has been working on this matter for several months. The new policies and procedures are self-explanatory, and I ask your full cooperation in carrying out their implementation.

With best wishes, I remain

Fraternally yours,

Arnold Miller

Arnold Miller

Miners got UMW Boss Miller's threat

by funds drawn from the biggest bosses in the country and was elected under the "protection" of the ruling class's government. In analyzing Miller's program, we will contrast it with a communist, pro-working class position which should make it clear that workers need revolutionary, communist ideas, not reform.

In an eight-page letter addressed to "All Officers and Members of the UMW," Miller reports the "overwhelming adoption" of "new policies and procedures relating to unauthorized work stoppages," drawn from "recommendations of a special International Executive Board Commission" which he established. He notes that the Commission members "met with the President and General Counsel of the Bituminous Coal Operators' Association and members of its Labor Relations Committee which includes representatives from Consolidation Coal, Peabody Coal, Island Creek Coak, U.S. Steel and Bethlehem Mines . . . (and) explored . . . a mechanism by which a 'cooling-off' period would be instituted prior to any walk-out by the men."

Thus, right from the start Miller is making it known that he is working hand in hand with the biggest coal bosses (Consolidated is Rockefeller-controlled) to "cool off" miners fighting for their demands.

In a "background" section, the report notes that "the soft coal industry has been *plagued* by wildcat strikes" (our emphasis—ed.). Only a boss would look on a wildcat as a plague, since it shuts off his flow of profits. Workers use wildcats to move past sellout contract restrictions and fight for their rights in militant, direct confrontation with bosses who violate those rights.

Then the report gives what it claims are the reasons for "the intolerably high incidence of work stoppages" ("intolerable" to whom?). It is "because" older, high-seniority miners have been replaced by "younger, more aggressive miners." Aside from setting up a division between older and younger miners, the implication that somehow older miners are not militant is a lot of crap. It was these very miners who led the black lung movement that the Yablonski-Miller forces used to come to power. Over the years big class battles have been waged in the coal fields, in which "older" and "younger" miners joined together to fight the coal barons. In fact, these "older" miners were one of the few groups to defy a court injunction during World War II and strike against a government wage-freeze.

It then notes in passing that "many wildcat stoppages are caused by the coal mine companies themselves." Based on all that's gone before and after that statement, it's obviously only a sop thrown to prevent a complete exposure of their pro-boss line. But the fact is *ALL* stoppages are caused by the bosses. No matter what workers are demanding, they never receive the full value their labor power produces. If they did, the bosses would make no profit. As long as bosses make profit, something is being robbed from workers, usually more rather than less. Therefore, every time workers strike for some goal, they only receive *part* of what they produce in value anyway. Strikes will disappear only when bosses, profits and capitalism are eliminated.

Then Miller's Board traces work stoppages and their "perpetuation and enlargement" to three causes: "work place problems; involvement of other shifts; and involvement of other mines." The report laments the fact that once workers on one shift walk out, workers on the other two shifts automatically refuse to work in support of their brothers on the striking shift. Even "worse," workers on strike at one mine often picket other mines in an attempt to spread the strike and put more pressure on the owners to end it by agreeing to their demands. A point of view proceeding from the workers' class interests would regard this as a very high understanding of labor solidarity and would try to emulate it everywhere. Instead, the Miller reformists cite this as something to be eliminated, a result which would only help the bosses by sharply curtailing the effectiveness of miners' strike actions, the main weapon they have to win their demands.

One way they intend to eliminate this class solidarity is by superseding their own union constitution with what they themselves call "martial law": "While the International Executive Board does not have the general authority to entertain and try charges against Local Union members, (the Board) much like a government whose very existence is challenged, does possess the residual power, analogous to martial law, to insure its continued existence by entertaining and trying charges against members who . . . are threatening the very integrity of the Organization."

In other words, miners who fight bosses' contract violations by militant direct action—company-wide strikes, and even industry-wide walkouts—will be deemed "threatening the integrity of the Organization" and will be tried, expelled and probably fired. Such miners who fight in their *class* interests are very definitely a threat to the Miller organization which protects the bosses' class interests. Hitler, too, protected the "integrity" of fascism by eliminating all opposition.

It becomes even clearer where liberal reformers are headed when the report discusses the "effects of unauthorized work stoppages." The first effect cited is "loss of wages." This is one of the oldest bosses' arguments in existence. Don't strike because you'll "lose" wages. Of course, if the bosses know workers will never strike because they fear losing wages, the bosses will have free rein to not only refuse any wage increases but to *CUT* wages. The only thing that can stop bosses from riding roughshod over workers is the workers' potential to strike. Once that threat to profits is eliminated, then we'd *really* see a loss in wages. Moreover, the only reason wages are at whatever level they have reached now is because of many bloody strikes for higher wages, shorter hours, and for unions themselves, without which workers would be working for *half* the wages they now receive. Workers know from their own experience in class struggle that the only way to maintain and win higher wages is by threatening to stop production and many times carrying out that threat.

Not content with using that bosses' argument against strikes, the Miller Board carries over the "loss" to the Health and Reitrement Funds. "Idle" mines mean less money paid into these funds. Of course, they neglect to mention that many of these wildcat strikes are to insure the very health of the miners forced to work under the most hazardous conditions of any basic industry in the country. Even further, many strikes are against conditions which threaten the lives of the miners, strikes to enable them to live to collect whatever pension they have won. And, again, the miners would never have won health and retirement plans in the first place if it hadn't been for their ability to engage in militant strike action. By following a no-strike policy, miners would soon lose anything they may have won along these lines.

The next anti-wildcat "reason" offered is the threat of lawsuits, damages, dues being impounded by the courts, and "good" officers resigning due to fear of being jailed for contempt of court after being made responsible for wildcat strikes. This means the union must give into the bosses every time they can get one of their courts to stop the miners from taking militant action. This only points up further that "there are no neutrals here" as the famous ballad goes. Any union and any union leader worth their salt should be prepared to defy the bosses' courts and injunctions and, if really organized, not necessarily be prepared to go to jail but be prepared to have organized worker resistance to *prevent* the bosses from putting militant trade unionists in jail.

The fact is, in the recent massive wildcat and in hundreds before that it was many times the local officials and local presidents who organized and *LED* the wildcats, who bravely defied court injunctions and jail sentences in really fighting for the class interests of their members. The Miller machine is here trying to put pressure on local presidents not to lead the miners in militant struggle. These local officials—most of them working miners themselves—will have to choose sides: lead strikes on the side of the rank and file, or break strikes on the side of Miller and the coal barons. Past experience indicates that the chances are good that these local presidents can and will be real rank-and-file leaders.

A fourth "reason" to ban wildcat strikes is, according to the Miller machine, its bad effect on organizing non-union mines—unorganized miners don't want to join a union in which mines are "frequently shut down by UMWA pickets." That, of course, defies the whole history of union organizing. It is precisely those unions who are prepared to strike militantly for workers' demands that attract the largest amount of workers seeking to better their lives. It is those unions which refuse to call walkouts but sell out to the bosses that workers shun. Again, the Miller reformers take a pro-boss class position as against a pro-working class position.

Finally, the clincher argument these labor fakers use against wildcats is their "impact on the coal industry." They are "concerned that the coal industry remain healthy and stable. A sick and unstable industry might require an energy hungry Nation to turn to other resources . . . (and) might very well discourage huge capital outlays which are necessary to underwrite current plans for expansion and new and safer employment opportunities for our members."

That one really takes the cake:

(1) The "instability" of the coal industry is based on *the instability of the capitalist system.* At the very time that Miller admits wildcat strikes are at a peak, the coal barons are reaping their greatest profits in history. In fact, it is the very source of these profits—the intensified oppression of the coal miners—that is sparking the increase in wildcat strikes. When Miller, in effect, tells the coal miners to "be good" or you'll lose your job, he is really telling them not to fight back gainst the bosses' pell-mell drive for maximum profits and is thereby helping the companies achieve still greater profits.

(2) The "Nation" doesn't "turn to other resources"; it is *capitalists* who *exploit* those resources which reap them the greatest profits. They have absolutely no concern whatsoever for the effect on the working class or the general population. Their only signpost is the almighty dollar. Workers don't "turn to other resources." Under capitalist exploitation, amid a deepening depression/recession, workers have all they can do to keep their heads above water. Workers have no power over resources unless they throw out the bosses and their system and establish working-class control over everything, in a planned society, in which our class will control all resources.

(3) To make "new and safer employment opportunities" for miners dependent on whether bosses feel "encouraged" to make "huge capital outlays" is the oldest theory bosses have fed to workers since the beginning of capitalism: the "trickle-down" theory—if it's better for the bosses, it will be better for the workers. In this case, if workers don't fight unsafe conditions and firings with wildcat strikes, the industry will be more "stable," bosses will invest more money, and, somehow, workers will have more and safer jobs.

The exact opposite is the story of capitalism: as long as workers *don't* fight back against lousy conditions, bosses (loving that kind of "stability") will see to it that those conditions are maintained *precisely because it reaps greater profits for them.* And that's why they will invest "huge capital outlays"—because unsafe conditions for workers mean *more profits* for bosses, and "huge capital outlays" will always find their way to those areas that produce greater profits. Thus, to claim that "stability" based on the absence of workers' fight-back will help workers obtain "new and safer employment opportunities" is setting up workers for the slaughterhouse.

With such a conglomeration of bosses' ideology permeating the Miller report's section on the "Effects of Unauthorized Work Stoppages," it is perfectly logical that the "Action To Be Taken" announced in the next section is such to prevent miners from really fighting the bosses and keep them locked into suffering under the Miller regime. It is in the "Action To Be Taken" that the real fascist nature of the liberal road to a "democratic" union is revealed.

The first of the ten points concerns "aggressive education" of local officers and committeemen on enforcing the contract. The remaining nine points explain that "education" and what will happen if someone refuses to be so "educated" (brainwashed).

Point No. 2 calls for a "cooling-off period" whenever "a walkout appears imminent." The "cooling-off' ploy is an age-old strike-breaking tool and has been written into every anti-labor law ever passed, including the notorious Taft-Hartley Act. The purpose is to "cool off" angry workers bent on fighting for their rights so that the bosses have time to divide them and wear them out, thereby preserving their profits.

Point No. 3 orders a local union meeting called

Miners cream cops who tried to halt march against strike-breaking injunction

immediately after a work stoppage occurs. This might seem democratic on the surface, but its true purpose is for arm-twisting by the District and the International, as outlined in Points No. 5 and 7.

Point No. 4 attempts to destroy the labor solidarity that has been part of the UMW tradition for eighty-five years. It invalidates the "24-hour rule" or the rule of "first shift out—first shift back." It means that if workers on one shift walk out over some unsafe condition or contract violation or firing, etc., the other two shifts shall continue to work, in effect scabbing on their co-workers in that mine and virtually destroying the effectiveness of what is now a solid, shut-it-tight strike. Under current rank-and-file tradition, once the first shift walks out, the other two shifts respect that shift's pickets until they return to work—"first shift out, first shift back."

Point No. 5 dispatches a District officer or representative to the "special meeting" called by the Local Union (under Point No. 3) and it is his responsibility to "threat to direct the members of such Local to immediately return to work" (and if no meeting has been called, this District fink is supposed to call one). Thus, any work stoppage is automatically assumed to be unjustified (no exceptions are allowed for). The District representative doesn't go there to find out *why* the workers have walked out; he goes there to force them back to work and break their strike.

Point No. 6 denies UMW funds to any workers on an "unauthorized work stoppage," denies funds to workers who are the victims of court injunctions because they picket other mines in a solidarity move, and absolves the International from paying fines against local unions who engage in wildcats.

Point No. 7 reinforces the International's determination to stop rank-and-file-led strikes at all costs. It provides for a "daily log" to be kept on all work stoppages; for a telegram to be sent to the president of a local union involved in it, ordering him to immediately call a special meeting; and also "to immediately direct the Local members to return to work."

The reason for the necessary local meeting outlined in Point No. 3 now becomes clear. It is not for the purpose of discussing the issues behind the wildcat, not for the purpose of determining whether the coal bosses have violated the contract or are maintaining some unsafe condition which threatens a miner's life or limb, not for the purpose of taking a democratic vote on the issues at hand—not for any of these reasons. It is solely to provide a platform for the International and the District to order the miners back to work and—if they refuse—set them up for the procedures outlined in the next point.

Point No. 8 specifically charges leaders of the recent massive wildcat strike in West Virginia and elsewhere with "wilful and deliberate defiance" of the International and moves to summon them to hearings on these charges before the entire International Executive Board. This not only means these rank and filers will be thrown out of the union (and probably blacklisted by the coal bosses), but it implies that anyone else who violates any of these points will suffer the same fate. Point No. 8 is entitled: "Commencement of Disciplinary Proceedings." This is the carrying out of the "martial law" referred to earlier.

In Point No. 9, these labor lieutenants of the coal barons have the gall to claim that "the Board does not intend herein to intrude upon the rights of the Mine Health and Safety Committee nor the rights of the individual members" on safety provisions in the latest contract! What collossal hypocrisy! Knowing full well that one of the leading reasons for wildcat strikes is the bosses' complete disregard for safe working conditions, these finks have the nerve to say that their fascist strike-breaking measures "do not intend to intrude upon the rights" of the safety committee or of safeguards for individual members. That's Hitler's Big Lie technique with a vengeance.

Point No. 10 provides for a copy of the policy statement to be mailed to every working member. This is less for information than it is to show miners just what they face from the "leaders."

It is clear that the Miller gang would destroy any semblance of democracy that might now exist in the UMW, would leave all miners open to even more intensive attack by the coal bosses (who will always violate the contract if they can get away with it), and would attempt to stifle any rank-and-file leadership for workers' demands. (If Miller and his right-wing "Opposition" is so concerned about the miners, how come they don't come up with a Ten-Point Program to stop company violations of the contract?)

The attack on the miners by the liberal Miller crowd stems from the source of their rise to power—dependence on bosses' laws; bosses' foundation funds; and government-supervised elections—all of which reflect a class viewpoint that operates *within* the bosses' capitalist system and therefore must, of necessity, operate to *maintain* that system. That is why, when push comes to shove (and sometimes before that), liberals and reformers operating within the framework of the system will put forward the bosses' ideology that represents that system. In this case, these bosses' ideas and intentions include:

(1) Democracy is "fine," but don't exercise it; "your" government will guarantee it;

(2) No-strike clauses in union contracts;

(3) Obey the bosses' courts;

(4) Workers should cross "unauthorized" picket lines;

(5) Bust labor solidarity, between shifts, from mine

Rank-and-file democracy:

West Virginia miners vote wildcat

to mine, from company to company, industry-wide;

(6) Break rank-and-file-led strikes;

(7) Collaborate with the bosses to bring about "cooling-off" periods;

(8) Regard wildcat strikes as a "plague" and "intolerable";

(9) Invoke "martial law" attacks on militant rank-and-file leaders;

(10) Don't strike because you'll lose wages and benefits;

(11) Split workers along age lines;

(12) Strikes discourage unorganized workers from joining unions;

(13) Strikes lead to "instability" for workers;

(14) "Stability" leads to capital outlays, more profits and "therefore" better conditions for workers.

When class struggle becomes sharp—as it has recently in the coal fields—and when "leaders" operate within the framework of the capitalist system, they must adopt the class viewpoint of the class that rules that system, as reflected in the above list and detailed previously. Only workers who operate outside and beyond the ground rules set up by the system's ruling class—operate with a *revolutionary* outlook, that wants to smash the bosses and their system, *not* "reform" it—only they can operate from a *working-class* point of view that would lead in the exact opposite direction of the Miller liberals as set forth here.

Communist working-class revolutionaries fight for rank-and-file democracy in unions, don't merely pay lip-service to it; look to workers' mass action, not the Labor Department, to enforce it; fight against no-strike clauses; organize to defy bosses' court orders that break strikes and destroy unions; encourage the widest kind of working-class solidarity, across age, ethnic and sex lines; organize rank-and-file-led strikes; never collaborate with bosses or anyone to "cool off" strikers; organize wildcat strikes when necessary to fight for workers' demands, precisely to "plague" the bosses; fight arbitrary "martial law" attacks on militant workers; organize strikes to maintain and win higher wages and benefits; organize the unorganized by building strike strength, not discouraging it; and never agree to a "trickle-down" theory of workers making gains out of greater "stability" for profit-making by bosses.

It is clear from these kinds of "Ten Points" that a communist program in the coal fields stands solidly on the side of workers' CLASS interests. Why can only communists and communist ideas—rather than liberal reformists—be depended upon for such an outlook and such kinds of actions? Because real communists hold out for the complete destruction of the bosses and their profits-first system, hold out for workers' revolution, for workers' power—the dictatorship of the proletariat as against the dictatorship of the bosses.

Communists operate from the class understanding that bosses and workers have irreconcilable, antagonistic interests. Proceeding from the viewpoint that the working class is the revolutionary class that can and must free itself from the chains set by the profit system, communists will operate *every step of the way* to achieve that goal—liberation for the working class. Seeing no necessity to maintain capitalist profits as the way to win a decent life for workers (the maintenance of profits being the source of every pro-boss class idea), communists work not only for Socialism but *therefore* also for a pro-working class program of action in every step of the class struggle that leads to socialist revolution. The contrast of communist ideas with those of the UMW "leaders" proves this. It shows that liberal reformers working within the system and to preserve it will, *of necessity*, come up with a program based on bosses' ideas. Communists, out to make a revolution that will put the working class in the saddle and eliminate bosses once and for all, will, *of necessity*, come up with a program based on *workers' class interests.*

To defeat fascism in the coal fields and generally, to win our immediate demands, to create a situation that will lead to the smashing of the bosses and their system altogether, miners and all workers need to adopt communists and communist ideas as their own. Join the Progressive Labor Party and the fight for revolution! We have nothing to lose but a rotten system that oppresses us all.

When the U.S. ruling class decided to make the racist anti-busing movement in Boston serve as a trial balloon for developing a nationwide fascist base, several factors combined to influence their choice:

—With a black population of only 20 percent, Boston has one of the smallest minority-white ratios of any important city in the country. Therefore, it is one of the most segregated cities.

—The segregation of black and white workers and their children in housing and schools is also reflected at the workplace. For example, the workforce at Lynn G.E.—the major industrial plant in the area—is only 3 percent black. Therefore, the objective unity that exists elsewhere at the point of production between black and white workers against the boss as the common enemy is less palpable here than in more highly integrated cities.

—To a great extent *because* of this division in the working class, Boston has a high percentage of unorganized workers. Therefore, the concept of class solidarity that accompanies even the weakest forms of unionization is not as firmly embedded in the collective outlook of Boston's working class as it would otherwise be.

—Organized racism had a long history in this city even before the events of 1974. Louise Day Hicks and her lieutenants have been pushing neo-nazi demagoguery against school integration since the Civil Rights movement of the early 1960s. For this, she has been well-rewarded by her liberal masters, who let her amass a small fortune as a rent-gouger in South Boston, gave her national notoriety when she ran twice for mayor on a Jim Crow platform, and then sent her to finishing school for a term in the House of Representatives. In addition, the ruling class sat by and twiddled its thumbs while the School Committee (a majority of whose members are now in the racist organization ROAR) spent years deliberately

creating segregated school zones and simultaneously presiding over the universal degeneration of the schools.

All of this groundwork appeared to pay off handsomely from the bosses' point of view. (See *Fascism and Busing in Boston*, PL Magazine, Sept. 1975, for details of the buildup). In the middle of 1974 ROAR was formed as the most significant racist mass-based organization in the U.S. It held anti-busing marches in the thousands, received copious publicity for its leaders' most insignificant, moronic utterances, and was so brazenly winked at by the mayor, the police, and the rest of the state apparatus that it dared hold regular meetings in the Boston City Council.

All of this preparation enabled the racists to seize the offensive during the first weeks of the 1974-75 fall term. The stonings of school buses and mob violence against black people that characterized the first days of "Phase I" (the busing of more than 18,000 school children) took place on international television and under the "benign neglect" of the Boston Police Department, which gave the racists the keys to the city.

The 1974-75 school year was characterized by sporadic incidents of racist violence, particularly at South Boston and Hyde Park High Schools, two dilapidated facilities located in ROAR strongholds. All this time ROAR was developing its image as a significant political force in the city. The Boston Police Patrolman's Association contributed money to it; the sellout leadership of the Mass. Building Trades Council endorsed its racist anti-busing position; Mayor Kevin White dispensed patronage to ROAR members and held secret negotiating sessions with ROAR leaders; and Louise led a spring march of 1500 racists in Washington against busing. Meanwhile, the cops continued to protect the thugs responsible for racist attacks and to arrest black people for defending themselves.

The ruling class and its martinets appeared to have clear sailing ahead for their race-war strategy. The liberal politicians were secretly in cahoots with ROAR. The leadership of the unions—those who pretended to support busing and integration—did nothing. The NAACP confined itself, as usual, to press conferences and reliance on the bosses' courts.

These conditions formed a vital part of the overall plan for developing a fascist movement in Boston that could become a straw in the wind for the rest of the country. Without backing from the pols and the cops, ROAR was all shadow and no substance. Its leaders were hacks and ward-heelers who saw how to make a fast buck out of racism, and its "cadre" were the dregs of society: drunks, ex-cops or their families, young punks, and a handful of sadists—in a word, not the most reliable forces in the world. In order for ROAR to play a useful role in the rulers' plans, *it had to remain essentially unchallenged by a mass movement against racism, and all apparent manifestation of opposition to it had to remain tightly controlled by the ruling class.*

CHALLENGE TO THE FASCISTS

Two forces, and only two, emerged to provide leadership in the fight against the racists and their bosses. The first was the Progressive Labor Party, which threw down the gauntlet at ROAR on the opening day of school in 1974 at South Boston High. Barely a dozen black and white PLPers and their friends assembled that day to call for unity against racism, to welcome the bused students to school, and to defy the fascists. However, their very presence and the boldness of their act served notice on the racists that the anti-busing movement was in for a fight.

The racists had shown that, like their jackbooted, swastika-ed predecessors in Germany, as a gang they were talented bullies. How would they react when confronted by a significant force of militant workers?

The answer came on May 3, 1975, when the PLP organized its annual May Day march in South Boston. By now, Boston had become a national symbol of the threat posed by racism. When the call went out to demonstrate under the red flag of socialist revolution in ROAR's own bailiwick, 2,500 workers and students came from all over the East Coast to call for unity against the bosses and to chant "Death to Fascism!"

Egged on by the applause of Boston's nazi TPF (who were *legally* obligated to protect the anti-racists), ROAR's bullies tried to smash the march before it could start. About eighty of these goons charged the small PLP security force that was preparing to welcome the bulk of the demonstrators. Twenty-five anti-racist fighters met them and kicked the stuffing out of them, putting them to rout and landing a good number of them in the hospital. When the cops saw this happening, they went on the attack, arresting and injuring several anti-racists.

Nonetheless, *the march took place.* Twenty-five hundred people stood firm under rocks thrown by ROAR and marched from South Boston through Dorchester to Franklin Park. The action was the talk of the town for days. Up to that point, the only large demonstration against the racists had been a Dec. 14 cakewalk organized downtown by an alliance of Trotskyites, liberal politicians, and the NAACP. However, the May Day action proved for the first time in Boston that the majority of the city's uncommitted workers were ready for anti-racist leadership, and that every time the racists were confronted with a serious, well-organized, mass challenge, *they would crumple like a paper halloween mask.*

The problem now became how to transform the

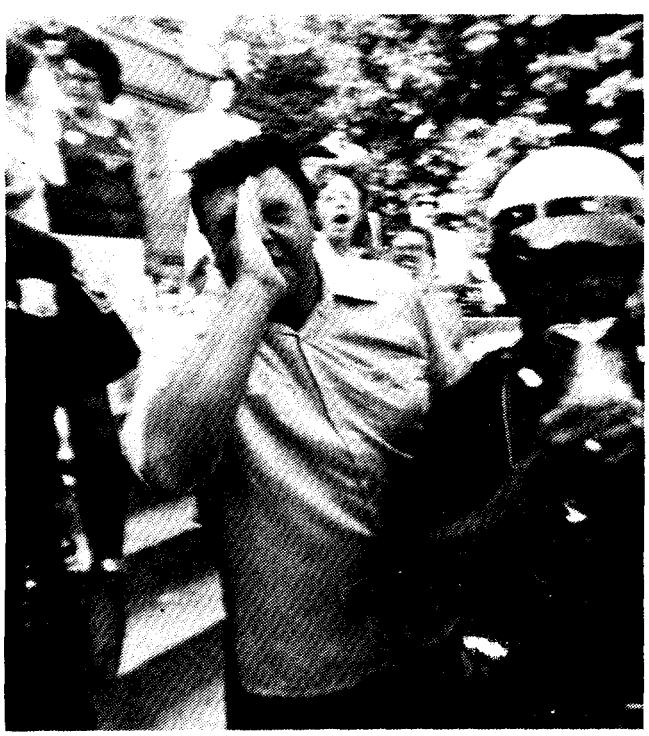
battle of May Day into an ongoing offensive that could eventually smash the racist movement. This task was assumed by the Committee Against Racism (CAR) at its Spring Steering Committee meeting. CAR had emerged as a national organization after a New York City founding conference of professors, students, and workers in November 1973. In the first year-and-a half of its existence, it had debated and confronted leading racist academics (Shockley, Banfield, Jensen, etc.); organized some campaigns against racist budget cuts on college campuses; started a drive to win a bill of rights for undocumented foreign-born workers; and launched a fight for anti-racist omnibus medical care legislation.

However, never had CAR undertaken anything so bold or ambitious as a national summer-long drive against the more virulent racist movement going directly in the eye of the storm. Yet this was precisely what was needed to put ROAR on the defensive and stall the rulers' plans for a nationwide fascist movement. And this is precisely the task CAR set for itself with its project BOSTON '75: "A Summer of Struggle, a Lifetime of Commitment, a Call to Action." Tens of thousands of brochures flooded college campuses in early spring. They called on ". . . students and other interested people to join our Freedom Summer Anti-Racist Action Project. Its purpose is to give a national-international focus to the anti-racist struggles going on in Boston. Summer volunteers will work under the leadership of Boston CAR. Together, they will prepare the way for a strong people's movement which will unite blacks, whites, and other minorities to fight against the racism being used to wreck the busing program . . . Boston is the test of whether or not racist mob violence similar to FASCISM, combined with political racism, can succeed in stopping the desegregation movement. CAR says with this summer project, 'THE RACISTS ARE GONNA FLUNK THIS TEST!'"

Before it started, BOSTON '75 was faced with two objective limitations. First, most of its volunteers would of necessity come from college campuses. Could inexperienced students carry the message of multi-racial unity into working class communities? Second, although some of the volunteers came from Boston, most were from out of town. The forces of racism would surely red-bait them and brand them "outside agitators." Could the project flourish under these circumstances?

As the CAR Steering Committee estimated and as events later proved, the answer to both these questions was a resounding "Yes!" Students had already demonstrated during the Civil Rights movement and the anti-war movement that their energy and creativity, their militancy, and their political commitment more than compensated for inexperience. Besides, as in any endeavor, you learn to swim by swimming. In the second place, although most of the volunteers didn't come from Boston, Boston was in the United States, and the United States was permeated with racism. All of the volunteers had been confronted with nazi "theoreticians" like Jensen, discriminatory budget cuts, police terror, unemployment, and any number of racism's other hideous guises. Boston wasn't Mars, and one of the project's chief goals was to help prevent ROAR from spreading elsewhere. Finally and most significantly, the project's organizers and volunteers knew that their politics and program met the aspirations of the overwhelming majority of Boston's black and white workers, parents, students, and teachers. The racists had never built a single school or won a single job. On the contrary, they had helped make Boston's schools among the worst in the U.S. (no mean feat) and had sat in office while Massachusetts unemployment zoomed to nearly 14 percent. Unity against racism and against ROAR wasn't a trivial academic question: it was in the vital self-interest of most Bostonians.

Confident in this estimate of the situation and in the responsiveness of Boston's working class, the first wave of volunteers began to arrive in early June. Eventually their numbers would reach 150, and they would come from California, Texas, the Midwest, Washington, D.C., Seatttle, New York, and other areas.



100% Impure Boston Pork

CAR'S STRATEGY

The blueprint for BOSTON '75 envisioned several overlapping areas of work: a Freedom School in Roxbury that would bring black and white students together in a friendly atmosphere and help them compensate for the havoc of the previous academic year; the formation of committees to canvass in South Boston, Hyde Park, Roxbury, Dorchester, Cambridge, and other parts of the greater Boston area; an Outreach Committee to win support from churches, unions, and other mass organizations; and a citywide petition drive to popularize CAR's program for better schools and against the racists. Regular street agitation was planned to complement these activities. The petition drive was conceived as the vehicle that could tie them all together.

From the very outset, the politicians, the cops, and, of course, ROAR, served notice that they considered BOSTON '75 a serious threat and would do anything in their power to crush it. Their strategy was to harass, intimidate, and openly terrorize the BOSTON '75 volunteers in order to prevent the message of anti-racist solidarity from reaching the city's working class.

This plan was put into operation during the opening days of the project. In early June, a group of volunteers went to conduct street agitation in Boston. A group of ROAR thugs overturned their table and vandalized their panel truck. No arrests were made. On June 7, 60 CAR members tried to picket the new ROAR office in Fields Corner (an integrated section of Dorchester). An equal number of cops immediately arrived and blocked the picket line as well as a planned march through the neighborhood. However, the CAR anti-racists were not deterred. They picketed Little City Hall across the street and successfully circulated a petition calling for ROAR's ouster from Dorchester. Three days later, when CAR held a rally on the campus of Boston State College, a cop attacked one of the participants. Twenty-five CAR members and friends invaded the president's office in protest.

These opening skirmishes proved that the ruling class' stake in Boston's fascist movement was such that they weren't about to let "free speech" for anti-racists interfere with Hicks & Co. These early events also proved that CAR's fighters weren't about to back down because of some petty harassment.

Therefore, the bosses and their agents decided to up the ante and see if they could wipe out the project before it could get off the ground. On June 14, they launched their most serious attack since May Day. Twenty-five CAR members arrived at Uphams Corner that day to conduct a street rally. The rally took place in orderly fashion with anti-racist speeches, the distribution of literature, and the circulation of the petition to kick ROAR out of Dorchester. While this was happening, several of the volunteers noticed a car driving by with men carrying baseball bats and a hockey stick. The car drove by several times. Shortly before one o'clock, about ten men carrying bats, a hockey stick, and a sawed-off boat oar, arrived and began viciously attacking the CAR members, all of whom were weaponless. Five minutes before the attack began, all the cops who had been watching the rally since its start disappeared.

Despite several injuries, some CAR members fought back. One woman had grabbed a bat from a racist attacker and was making good use of it. A scant minute later, ten police suddenly "re-appeared." Although they had their hands on the racists and although several of the CAR members were obviously bleeding, the cops pushed the CAR group down the street and then released the racists, who crossed over to their double-parked van and left.

Just before the racists left, a CAR member told the cops: "They're stealing my bullhorn; what are you going to do?" The cop answered: "What bullhorn?" Despite the fact that he was bleeding from a blow on the head which later required hospital treatment, this CAR worker made a speech to the 100 onlookers who had gathered by this time, explaining that the attack was caused by ROAR goons working with the police and that the anti-racist movement would not be intimidated by these tactics.

Two cops immediately arrested this CAR volunteer, took him to Dorchester police station, and charged him with being a disorderly person and blocking a public footway. The charges were so preposterous that the judge was later forced to dismiss them in open court and to concede that the cops should have arrested the attackers.

Although the Uphams Corner incident was virtually ignored by the **Globe**, the **Herald**, and the major TV and radio stations, it was picked up by the **Real Paper**, an anti-communist muckracking weekly that opposes ROAR from a liberal point of view. About a month after the attack, the **Real Paper** ran a long article giving the essential facts about Uphams Corner and describing the development of ROAR's storm trooper brigade, a group sometimes known as the "South Boston Self-Defense Committee." This Committee is presided over by one Dan Yotts, a retired cop who is now a South Boston ROAR marshall. The article all but proved the connection between ROAR and the May Day and Uphams Corner assaults.

By this time, there could no longer be doubt about the combined attitude of the bosses, the cops, and ROAR toward the campaign to fight racism in Boston. The CAR volunteers, who at the time of the Upham Corner incident numbered barely over fifty, refused to yield an inch in the face of racist terror. Two days

after the Uphams Corner attack, they were back on the streets, this time picketing City Hall to expose the collusion between the racist movement and the Boston City Council (eight of whose nine members at the time were admittedly in ROAR). The racists are so shameless about advertising their Jim Crow ideas that they have plastered the letters RO and AR in the windows of Louise Day Hicks' and Dapper O'Neill's offices. This revolting display is seen daily by tens of thousands of workers who pass through the Government Center area. Hicks' and O'Neill's "right" to strut their racism has been upheld several times in court.

However, on June 16, they were to see this "right" unceremoniously abridged when several CAR members invaded O'Neill's office, called him a nazi, and ripped the hated letters off his windows. As they left, he ranted hysterically about getting them thrown in jail (something which, this time, at least, never happened).

By late June, BOSTON '75 could count two accomplishments of some significance: it had established itself as the only organized public challenge to ROAR in the city, and it had successfully met and defied all attempts at intimidation. The Upham's Corner attack had proved that the fascists were ruthless and had to be treated with their own medicine. Henceforth, every CAR event was to have adequate preparation for security and self-defense in case of attack. This measure and the militancy of the CAR security force helped insure the project's survival during the course of the summer.

REACHING THE MASSES

Boston '75 was now a month old. The bulk of the volunteers were to arrive by early July. A serious political problem remained: despite a fair amount of public agitation, CAR had yet to approach the *mass* of Boston's workers, parents, and students with its positive program for fighting racism and winning improved conditions in the schools. The closest it had come to a mass campaign was the petition drive to oust ROAR from Dorchester, which succeeded in gathering 2,000 signatures. However, as legitimate as this brief campaign was, it still did not provide a vehicle for uniting black and white people throughout the greater Boston area. All along, the publicity for BOSTON '75 had announced CAR's six-point program: 1) Build 25 new schools in Boston; 2) Hire 1286 teachers (to reduce teacher-student ratio to 15:1), of whom 500 must be from minority groups; 3) Expand bilingual programs for all relevant languages; 4) Indict Hicks, John Kerrigan, and the ROAR Executive Committee for conspiracy to violate the civil rights of school children; 5) Expand and upgrade cafeteria and athletic facilities; 6) End the practice of conducting segregated parents' meetings.

Because it united the demand for vitally-needed concessions within the schools and the fight against ROAR as a major roadblock in the way of winning these concessions, this program could serve as a shot in the arm to Boston's black and white workers and students. The bosses had already made their program abundantly clear: while ROAR ran amok in the streets, Mayor White announced that he was slashing the school budget by $30 million and laying off 600 provisional and nontenured teachers. The objective conditions for a mass campaign on these issues could not have been better. All that remained was to get the campaign underway.

An initial sluggishness prevented the campaign from opening with the vigor it needed to succeed. To a degree, this sluggishness presented itself as an organizational problem. In reality, however, the problem was political. CAR's volunteers had won their spurs in battle with the ROAR thugs. Could they now make inroads among the 640,000 Bostonians who did not belong to or sympathize with ROAR and whose survival required the smashing of racism? More to the point: did the volunteers really believe this to be the case? The press had constantly pushed

May 3: To most of Boston a promise; to the rest, a warning

the lie that the majority of Boston's white workers, who had been passive during the 1974 busing, were committed racists.

A self-criticism is in order here. The citywide campaign for CAR's six-point program was slow getting underway primarily because the CAR members and the PLPers fighting alongside them lacked sufficient confidence in the objective anti-racist aspirations of Boston's working class. Two experiences helped overcome this obstacle. One was internal political struggle. The other was life itself. When two black families moved into virtually all-white Hyde Park in late June, they were savagely attacked by gangs of racist punks, who went so far as to assault young children. CAR volunteers played an instrumental role in organizing a defense committee in both cases, despite the usual harassment from the police, who claimed they were unable to protect the black families. The punks who attacked these families had also been responsible for terrorizing white families in Hyde Park. The material basis for anti-racist unity against these petty goons clearly existed. CAR acted upon it and organized a meeting to discuss the problem at the home of one of the black families who had been attacked. Despite threats from Hyde Park's ROAR organization and the presence of police at the meeting, an integrated group of thirty people attended and discussed methods of dealing with the attacks.

What happened at the meeting was less significant than the mere fact that the meeting took place. As a result of CAR's initiative, thirty black and white working people had sat down to discuss a common menace in a neighborhood where some of 1974-5's worst racist incidents had taken place. Imagine the possibilities if 150 CAR volunteers spent hours daily taking their program into the streets, the shops, and the schools. Tens of thousands could be motivated to move leftward on the question of anti-racism.

After the unity meeting in Hyde Park, the mass aspect of Boston '75 got underway in earnest.

The six-point petition suddenly became a commonplace sight in dozens of greater Boston neighborhoods, as CAR members circulated it at street-corner rallies, in projects, at plant gates, and on campuses. In Dorchester, Hyde Park, Roxbury, Southie, Jamaica Plain, Cambridge and elsewhere, hundreds responded every day to the demand for improved schools and the call to crush racism. Eventually, these hundreds would become thousands. The harassment that accompanied CAR's canvassing in Hyde Park and Southie (invariably aided by the cops) deterred neither the volunteers nor the bulk of ordinary people in these neighborhoods who wanted to learn more about the program.

The CAR Outreach Committee went to work and received endorsements from several church groups as well as from the 30,000-member regional organization of the American Federation of Government Employees. The AFGE leader who gave the endorsement later withdrew it when he became frightened of being identified with "radicals," but beforehand, he had sent a copy of CAR's petition to every AFGE member in the Massachusetts area. Thousands of these workers were later to play a role in CAR's major action of the summer.

FREEDOM SCHOOL

One of BOSTON '75's most positive accomplishments was the Roxbury Freedom School. Conceived as a dual effort to promote multiracial unity and to provide academic instruction that could

help compensate for the illiteracy fostered in the Boston public schools, the Freedom School opened at the Charles Street A.M.E. Church on July 7. The first days of school were filled with numerous activities, events and classes that proved the feasibility of integrated anti-racist education. In one class students read and discussed a CAR leaflet entitled "Racism Hurts Us All." In a history class led by a PLPer, the students wrote and performed a skit entitled "Strikers and Scabs" that had been adapted from a *Challenge-Desafio* article about the current Pennsylvania Government Workers' strike. Other courses included Art, Math, English, and Spanish. Trips to local parks and swimming pools were organized, and a Freedom School basketball team was formed. Free lunches were provided. By the end of the first week, over 60 students had enrolled in the school, and their numbers were to grow by dozens more as the summer progressed. Parents actively participated in all phases of school activity. Despite its weaknesses, the inexperience of its organizers, and its limited facilities and finances, the Freedom School offered far more than a glimmer of light in Boston's racist darkness.

Meanwhile, CAR continued to combine mass work with militant action against the rulers. The week of July 14, Mayor White announced a $30 million cutback of the School Committee's already inadequate budget. He justified this measure with the contention that 1,200 teachers, aides, bus monitors, and others were unnecessary to quality education in Boston. He backed up this preposterous assertion with some trumped-up statistics to "prove" that the Boston public school population was shrinking. This demagoguery was designed to conceal the fact that the majority of transfers away from the Boston public schools are attributable to the rottenness of the schools themselves. Many white and black parents who can afford it—and many who can't—have enrolled their children in costly private schools. For most, however, this dubious escape route does not exist, and White's cuts were a sure guarantee that the public schools would be more hellish and provide less instruction than ever.

When White announced these cuts, not a peep of protest was heard from union leaders or Boston's established loyal opposition (NAACP, etc.). Only CAR raised its voice against this latest move to wreck education. On July 17, the BOSTON '75 volunteers and their friends called for a picket line in front of White's posh Beacon Hill home. As the group was assembling on the Boston Common, a contingent of Boston cops came over and told the demonstration's leaders: "The Mayor said not to let you picket his house, so we aren't going to let you." So much, once again, for "free speech" against racism in the "cradle of U.S. democracy." About 100 CAR volunteers tried to march anyhow but were turned back when they reached White's street, which had been blockaded by an insurmountable contingent of blue-suited goons.

But the volunteers were not about to be deterred from acting against White's racist school cuts. If White wouldn't let them picket in front of his house, they would go him one better: they would demonstrate inside his office. They carried out this action the very next day, as twenty CAR members held a sit-in in White's City Hall sanctum while another seventy picketed outside. White was conveniently absent at the time. The action, which lasted two hours, threw his aids and the rest of City Hall into a panic. Clearly, BOSTON '75 was becoming more than a pinprick in the rulers' side.

Since the Uphams Corner attack and the publicity generated by it, ROAR had not launched a significant offensive against the anti-racist campaign. Except for a few insignificant incidents, Hicks' brownshirts were temporarily laying low until their bosses had need for storm-trooper tactics once again. ROAR's major public action between mid-June and mid-July was a farcical sit-in staged at Mayor White's headquarters during the Boston-based national conference of Mayors. This event had the authenticity of a professional wrestling match. About eighty ROAR members—including Louise herself—were graciously admitted to White's hotel suite by White's seventeen-year old son, who left as soon as he had slurped up an ice-cream cone. The fascists spent the night in the White suite, while police amiably chatted with their supporters downstairs and White did nothing to evict them. The next day the liberal press dutifully recorded Hicks' complaint that White had not provided her with adequate room service. The day before this racist charade, PLP had led a militant demonstration of 100 people at the entrance to the Mayors' Conference. This action called for smashing racism and demanded more jobs, as well as the restoration of all budget cuts. Characteristically, the police threatened to arrest all of the demonstrators.

Threats, however, were no longer adequate deterrents from the point of view of Boston's ruling class. So far nothing had succeeded in stopping or intimidating the anti-racist fighters. Moreover, BOSTON '75 was becoming an item in town. The newspapers, radio, and TV began giving resports about CAR activities, distorted to be sure, but news nonetheless. CAR's actions, its mass six-point petition drive, and its inroads in the labor movement had already reached tens of thousands and could no longer be concealed. No matter how much the media lied, they could not disguise the most significant new element of class struggle in Boston: *for the first time, an integrated, organized force was throwing down a challenge to racist ROAR and its bosses in City Hall,*

on Beacon Street, and in Washington.

RACISTS UP THE ANTE

The CAR sit-in at City Hall was the last straw for White and his no-longer-hidden ROAR allies. They decided to up the ante once more to see if they could "get" the anti-racist movement for good.

The occasion they chose was a July 23 unity meeting called by CAR at Hyde Park's Ohrenberger School. CAR had requested and received official permission to hold the gathering. When a group of fifteen CAR members and anti-racist Hyde Park residents arrived at the school, they found the meeting room occupied by fifty ROAR members, many of whom were carrying weapons. The fascists locked the school, hoping to trap and wipe out the anti-racists. Suddenly, the police appeared, and instead of evicting their pals in ROAR whose presence at the meeting was technically illegal, they ordered the CAR volunteers to leave.

A van of CAR security fighters had arrived meanwhile to aid those trapped in the school. As they returned to the house of a Hyde Park sympathizer, they were followed by three carloads of ROAR vermin. As the van stopped to let the anti-racists off at the woman's house, a fascist tried to assault her. In self-defense, the CAR members clobbered this animal.

At this point the CAR members decided to return to their Huntington Avenue headquarters. The fascists continued to follow them but pulled away as they approached the office. Suddenly, the police moved in. Led by the landlord—a racist who had repeatedly tried to force CAR to remove its anti-racist sign from the front of the office—the cops entered the office accompanied by several of their ROAR sidekicks, including the scum responsible for the Hyde Park assault. The ROAR fascists went around the office fingering CAR members indiscriminately. In all the cops arrested seventeen people, many of whom had not been either at the Ohrenberger School or at the house where the fight took place. The charge: assault and battery with a dangerous weapon. A CAR member doing his laundry across the street was also arrested.

The arrested anti-racists were taken to the Hyde Park Station House, where a lynch mob organized by ROAR and the cops chanted, "Give us the niggers!"

The anti-racist movement in Boston had successfully resisted intimidation. It had stood its ground on the streets. It had begun to make appreciable inroads in the community and the mass movement. The bosses had thus far failed to stop it, and so they were now intensifying the viciousness of their tactics: the "new" approach was to trap the CAR volunteers into combat with ROAR at unfavorable odds, and then arrest the anti-racists on specious felony charges to tie them up in lengthy court appearances.

This was the purpose of framing the "Hyde Park Seventeen." It flopped. The next day, CAR members were back on the streets of Boston, picketing the West Roxbury Courthouse where the seventeen were arraigned, canvassing and rallying in the streets, and running the Freedom School. The forces of racism were growing desperate. The anti-racist movement was conducting business as usual.

WHITE-ROAR AXIS

It is worthwhile to digress for a moment about the relation between ROAR and Boston's ruling class, particularly Mayor White. White has impeccable liberal credentials. He started out in life as corporate counsel for Rockefeller's Standard Oil of California in 1955 and entered politics as part of the Kennedy machine. He has been Boston's mayor since 1967. Public utterances to the contrary, he is on excellent terms with Louise Day Hicks and the ROAR executive board. In October 1974, ROAR endorsed a vote on a referendum that would have given White control over the school system. Six days later, ROAR leader Janet Palmariello's husband went on the Boston payroll in the Department of Weights and Measures. Other jobs have been channeled from White to ROAR members via Louise under the federally-funded Comprehensive Employment and Training Act (CETA), a program supposedly designed to alleviate urban unemployment. Nine thousands Bostonians have applied for these jobs. Thomas Johnson, a ROAR Executive Board member, is on the CETA payroll in the Public Works Department. Nuncio Palladino, husband of Pixie, who is running for School Committee on ROAR's "platform" (and who keeps a framed picture of Mussolini in her home), is on the CETA payroll in the Housing Inspection Department.

On November 20, 1974, White met in his office with the ROAR Executive Board. He announced that he would provide the Boston Home and School Association (the equivalent of the PTA) with city funds to represent it in Judge Garrity's court. The Home and School Assn. had three regional representatives on the ROAR E-Board at the time. White then gave the ROAR a list of twelve services he had provided for the racist movement. These included: trying to hire former Nixon mouthpiece James St. Clair to represent the Boston School Committee in litigation with the State Board of Education (for a piddling $250,000 out of the taxpayers' pockets); authorizing funds for a School Committee appeal to the U.S. Supreme Court; advocating in 1968, 1969, and 1971 a change in the Massachusetts Racial Imbalance Law, which calls for integrating the public schools; and asking ". . . my staff to assist you as much as possible in staging your rallies."

Other than its comical sleep-in at White's Mayoral

Conference headquarters, ROAR has never publicly demonstrated against White. With the mayoralty on the line in Boston in 1975, ROAR has not endorsed a candidate, thereby aiding White.

The fake-radical **Real Paper** published this information about the ROAR/White axis on June 4. Their point was to prove that White needed ROAR to stay in office. In fact the opposite is the case. ROAR could not survive without White and the rest of the ruling class. The patronage dispensed through Hicks to the Palmariellos, the Palladinos, the Kerrigans, and other petty nazis serves to ensure the loyalty of the open fascist forces to the big bosses. Left to its own devices, ROAR is little more than a gaggle of savage but inept slobs. It constitutes a significant presence only insofar as it receives publicity from the bosses' media, protection from the bosses' cops, and payoffs from the bosses' coffers.

The decision to unleash the combined forces of ROAR and the official state apparatus on the BOSTON '75 volunteers was made at the very least on the highest level of the Boston City government. By the end of July, the anti-racist campaign had begun to have a telling effect on the city's political climate. The rulers could no longer lay claim to complete mastery of the situation. The schools were due to open in another month. Thousands were responding favorably to the CAR program. If CAR's volunteers were bold enough to sit in at the Mayor's office *after* they had been victimized by a major frame-up, what would they do next? More ominously, from the bosses' viewpoint, what would happen if some of the thousands who were signing the petition began to take action to win its demands?

CARSON BEACH—I

Motivated by fear of this threat and following the recipe for fascism they had already developed, Boston's combined racist forces decided to raise the ante once again. The pretext was a racist incident that took place Sunday, July 27, on South Boston's Carson Beach. Six black men who sold Bibles for an Indiana firm had travelled to Boston on business. The weather was hot. They decided to take Sunday off. They probably looked for the nearest beach on a map and chose Carson. At some point, they were attacked and brutalized by a mob of bat-swinging racist punks similar to the mob that had dragged a Haitian immigrant out of his car in Dorchester and beaten him within an inch of his life the previous October.

This incident was the most serious racist attack of its kind in a summer that had already been punctuated by a series of gang assaults against black people. Immediately, the press, the police, and the Mayor's office moved in to add more grist to the race-war mill. Instead of apprehending and imprisoning the racists (which would have been easy, since their leaders were doubtless affiliated with ROAR's local Hitler Youth brigade), the cops and newspapers reported the story in such a manner as to cast doubt about the origin of the attack. The lead stories that appeared in the **Globe** the next day gave credence to the absurd idea that a handful of black men would have gone to Carson Beach for the purpose of provoking a fight. Commissioner Snedeker of the Metropolitan District Commission (a greater Boston police force that has jurisdiction over the public beaches) went to Southie on Monday and openly told members of the South Boston Information Center (ROAR's "public relations" office): "There are two sides to every story. I came here to get yours." According to this perverted "logic," it would be a good idea to get Hitler's version of Auschwitz.

ROAR wants unemployed for new Hitler Youth

A ROAR leader was quoted in the **Globe** as saying: "We've always welcomed good colored people on Carson Beach but we won't tolerate black militants and communists." However, he added that no "colored" people ever came and blamed CAR and PLP for Sunday's incident.

The bosses made their point: Jim Crow was the law of the land in Boston.

CARSON BEACH—II

The following Sunday, a similar fascist assault took place when, according to news reports, an even larger gang of bat-wielding racists attacked first a black taxi driver and then a Puerto Rican family in the vicinity of Carson Beach. In the second instance, the family's two-year old daughter was badly cut by glass when a racist threw a bat through the window of the car in which she was riding. The next day, the **Globe** and **Herald** once again carried interviews with ROAR officials who lied to justify these barbaric acts

by asserting that CAR and PLP had distributed a leaflet that called for denying "honkies" access to the beach.

Mayor White, Police Commissioner DiGrazia, and Snedeker made fatuous utterances about allowing all citizens freedom to use the beaches but, once again, no arrests were made.

The NAACP made a few cautious statements but made no call for action. The union leadership stayed mute.

The Committee Against Racism issued a call for "Beach Liberation Day," and urged masses of black, Latin and white Bostonians to go to Carson Beach on August 17 and assert their right to use it without being assaulted by ROAR's racist storm-troopers.

As soon as CAR had made this announcement at a press conference, White said that "free access" to the beaches did not include "provocative" demonstrations.

After days of pussyfooting, on Friday, August 8, NAACP Thomas Atkins (who had told a CAR leader several months earlier: "We're going to drive you out of Boston") announced plans for a "Carson Beach picnic" the following Sunday—*only 48 hours hence.*

Despite Atkins' timing, which ensured that the August 10 event would be ill-organized and, at best, modestly attended, *two thousand* black, Latin and white people participated in it.

CARSON BEACH—III

The demonstration assembled at a site away from Carson Beach. Maceo Dixon, a luminary of the Trotskyite YSA, urged the group to look upon what they were about to do as "an outing," a "picnic," and not a demonstration. He said he could guarantee police protection from the racists. A PLPer interrupted this treacherous drivel to state that the fight against fascism was no picnic, that this was a demonstration of anti-racist forces, and that if the action was attacked, it should defend itself without placing false hopes on the cops. The crowd cheered this speech.

A motorcade of about 200 cars proceeded to the beach. It arrived to the sight of about 1,000 racists whom the police had allowed to assemble on the beach. eight hundred riot cops had positioned themselves between the two groups. As soon as the anti-racists arrived within range, some of the racists began throwing bricks and bottles at them. The missiles were thrown right back. The cops then tried to force the anti-racists off the beach, but under leadership from CAR members and PLPers, many anti-racists linked arms and shouted militant slogans. A group of ROAR marshalls broke toward the anti-racist ranks, and the cops faked an attempt to stop them. Hundreds of black and white demonstrators chanted: "Let 'em come!" The ROAR thugs made a fast retreat.

In addition to ROAR and the uniformed cops, nationalist provocateurs attempted to divide the demonstration from within. They attacked several white anti-racists as well as a number of black and Latin people who opposed this obvious attempt to cripple the anti-racist ranks. The provocation failed, as most of the demonstrators reaffirmed their commitment to multiracial unity and against ROAR.

The ruling class wanted to provoke a period of race war to exceed anything that had yet happened in Boston. White, Atkins, the nationalists, the Trotskyists, ROAR, and the police had all collaborated in organizing the Carson Beach "picnic" as a trap. The message: fight racism and you'll get killed. Only the courageous leadership of CAR members and PLPers and the militancy and solidarity of hundreds of workers and students succeeded in preventing a catastrophe.

The next day, rebellion broke out in different sections of Boston. The Carson Beach attack was the last straw for many black working class youth who had spent their entire lives under racism and police terror. They fought cops with everything at their disposal. The police responded by running amok in ghetto projects, breaking into homes and unleashing trained killer dogs on elderly people and children.

The rebellion was somewhat tainted with nationalism. A few black youths stoned cars carrying white passenger or otherwise attacked white people. Given the racist atrocities that had taken place daily in Boston for years and the absence until very recently of a mass campaign against them, this error was not surprising. The press seized upon these incidents and inflated them grossly out of proportion with stories reminiscent of the "black-mobs-out-to-kill-whitey" mythology that had filled the papers and airwaves after the phony "torch murder" incident of 1973.

Meanwhile, ROAR escalated its fascist violence, leading indiscriminate mob attacks against black workers several nights in a row. The press, which described the relatively small number of serious attacks against white people with gory precision, characteristically soft-pedalled the racist ROAR-cop riots.

Some of the most serious physical and political attacks against BOSTON '75 took place during the week after the Carson Bean fight. The day after the beach incident, CAR members had been invited to participate in "Mass Reaction," a TV discussion program. The station had also invited a ROAR contingent to participate in the show, unbeknownst to the CAR leadership until the last moment. While the program was on the air, a CAR security force of seven people stayed outside the studio to stand

lookout in case of a ROAR-cop ambush. They didn't have long to wait. Shortly after two patrol cars had pulled away from the scene, a ROAR goon squad of about 40 attacked with clubs, milk crates, and other weapons, including a machete. The anti-racists fought back valiantly despite the overwhelming odds. They were able to make good their escape into a city bus thanks to the help of the white bus driver who slammed the door on the fascists and drove away. The CAR members went to Boston City Hospital for treatment of their injuries. While they were in the emergency room, the cops repeated their Hyde Park routine by showing up along with the ROAR thugs and arresting the anti-racists for "assault with a dangerous weapon."

BOSSES' RED-BAITING

In addition to this increased violence against the anti-racist forces, the ruling class decided to launch a red-baiting campaign. The main salvo was fired by Suffolk County D.A. Garret H. Byrne. This crook told the press that the violence at Carson Beach had been caused by "highly paid outside agitators" who had come to Boston for the express purpose of instigating "racial disorders." He named CAR and PLP and said that his office would put eighteen special prosecutors on twenty-four hour duty to investigate and prepare the case. Deputy Police Supt. John Doyle also got into this seamy act. He told the newspapers that CAR members had thrown the first rocks at Carson Beach and had gone to the event for the express purpose of fomenting a riot. Then Commissioner DiGrazia—the darling of the liberal **Globe**—added his two cents. In a letter written to the Trotskyites who had helped mislead the Carson Beach demonstration, he said: "CAR was not an accepted part of the motorcade which formed in Franklin Park under the direction of Mr. Tom Atkins . . . Investigation shows that elements of the CAR group left Franklin Park and proceeded to Carson Beach in advance of the group of moderates who formed the motorcade. As agents provocateurs, they arrived at the beach area. Evidence shows that they provoked trouble . . . What erupted in the Mission Hill Housing Project (scene of a black rebellion and police riot—ed.) was a direct result of the handiwork of racial agitators at Carson Beach . . ."

Every one of DiGrazia's statements was totally untrue. The NAACP had invited CAR to participate in the motorcade, and CAR had participated in it. The first rocks were thrown by the racists. And the instigators of violence and "race hatred" in Mission Hill were the cops and their mad dogs. The bosses and the politicians were so bankrupt by this time that they had nothing left but the old hackneyed "outside agitator" theme. It didn't work, and their red-baiting campaign proved a complete fiasco. As in every prior instance, the intensified ruling class attack impelled the anti-racists to step up their work. During the week of rebellions that followed Carson Beach, CAR conducted more street agitation than at any time during the summer, continued running the Freedom School, and picketed the Dudley St. police station to protest racist terror.

Mysteriously, D.A. Byrne's vaunted task force of special prosecutors vanished as suddenly as it had appeared—without producing a single indictment.

Most significantly, the workers of Boston didn't fall for the red-baiting. Despite the race-war propaganda coming from White, DiGrazia, and the **Globe**, the organized fascist forces represented by ROAR failed to grow during the period after Carson Beach. Meanwhile, thousands of Bostonians continued to sign CAR's petition.

By now, BOSTON '75 was headed for the stretch. Its last major action was a demonstration planned for August 18, when the volunteers intended to present some 35,000 signatures on CAR's petition to the regularly scheduled City Council meeting.

Weeks before, CAR had applied for and received a permit to march from the Boston Common to Government Center. In addition to the volunteers and their new friends, about 100 other anti-racists had arrived in Boston to participate in the action and to help with the final weekend of street campaigning.

However, the mayor and the police thought they had one more trick up their sleeve. Late Friday afternoon, three cops came to the CAR office with a letter from the traffic commissioner revoking the Monday permit for no stated reason. The ruling class obviously thought that this timing would make it impossible for CAR to organize against the ban. Their press announced that the march would not take place.

As usual, they were wrong. Early in the morning on August 18, CAR members and their lawyers went to court. After watching a parade of corporation lawyers haggle for two hours over which group of millionaires had the "right" to control capital produced by the workers, the CAR case finally came up. The judge, who later would slap a $25,000 daily fine on Boston's striking teachers, bent over backwards to help the police lawyers present their case. But they had no case, even by the lopsided standards of capitalist "justice." The cops' lawyer was reduced to making the argument that since the commissioner had cancelled the march, it was too late to assign enough police to it. He uttered this incredible statement despite the fact that hundreds of cops were stationed along the proposed march route and in front of City Hall, waiting for an opportunity to attack the anti-racists.

The judge faced the alternative between vindicating open fascism in a public courtroom and

August 8 CAR rally shook Boston City Hall

restoring the permit for the sake of preserving the system's "democratic" facade. He chose the latter course, although he was on the verge of tears when he rendered his verdict. This time, the mayor and the police had gone too far, even by their own standards.

The march took place, and it was one of the summer's highlights. Three hundred people participated in it, but their organization was so tight, their spirit so militant, and their composition so well-integrated that they enthralled all of downtown Boston. Thousands of workers watched the march from the street and shouted friendly encouragement to the demonstrators. As the march rolled down Tremont St. to Government Center, thousands more workers were on hand to greet it. Most of them were government employees whose union vice-president had previously mailed them copies of the CAR petition. Despite his subsequent repudiation of this support and the newspapers' lies about the cancellation of the march, these workers prolonged their lunch hours and waited for the anti-racists to arrive.

One speaker (Finley Campbell, CAR's Co-Chairperson) sent the crowd into a frenzy as he said: "We will turn ROAR into a mee-ow!" and then, pointing to Hicks, O'Neill and Co. who were watching from their cozy offices, led the demonstrators in giving these fascist cretins the collective finger.

Meanwhile, a dozen demonstrators had entered City Hall to present the petitions. The City Council had panicked and already cancelled its meeting. Dapper O'Neill, who already could count on protection from the cops and their dogs, wanted no more. He told several well-known ROAR goons assembled in his office: "I deputize you!" The anti-racists were unable to present the petitions. Once again the bosses had turned their vaunted political system into a farce when it suited their needs to do so. In addition, they had transformed City Hall into an armed camp, as hundreds of riot cops on foot, horseback, and motorcycle blocked all the entrances to the building.

The August 18 march provided a fitting climax to the BOSTON '75 campaign. Afterwards, most of the volunteers returned home to prepare for the new college semester. Some chose to remain in Boston to consolidate the gains made over the summer and to build a permanent CAR organization in the city.

OPENING DAY

Their first task was to prepare for the opening day of the 1975-6 school year. CAR had called for multi-racial committees to welcome all students to school and, especially, to help protect bused students from the fascists. Because of its own limited forces, it could organize only one such committee and therefore planned to concentrate on South Boston High School, which had been the scene of the worst racist violence in 1974-5. CAR spokesmen and CAR lawyers informed the police of the plan to demonstrate beyond the 100-yard limit set for gatherings outside schools. The cops grumbled and then said the action would be considered legal.

Once again, they lied. As about 75 anti-racist activists—parents, college students, and workers—drove through South Boston on the first day of school, the cops pulled them over and arrested them before they could reach their destination. The charge: "tending to be disorderly." As in so many previous instances, however, the real "crime" was fighting racism. Thousands of cops, state troopers, and National Guardsmen were roaming the streets. The anti-busing movement mustered barely a few hundred people to commit racist violence around the city. The cops could have packed every one of these fascists off to jail at a moment's notice.

Yet the CAR members hauled off to prison in South Boston constituted over 90 percent of all arrests

made in connection with busing on opening day. Obviously, the cops and their bosses wanted CAR's political message of class unity and militancy against them silenced and kept off the streets.

The opening day arrests constituted the ruling class' most blatant violation yet of its own laws. They proved, as had so much of CAR's activity over the summer, that the mere threat of a mass movement against racism cuts through to the rawest nerve center of the profit system.

BOSTON '75 also proved that a relatively small number of anti-racists can put the ruling class on the defensive and begin to turn fascism into its opposite if they act boldly, take their line to the people, fight back every time they have to, and view each attack as an opportunity to make progress. Nonetheless, the project fell short of accomplishing a number of goals well within its reach. Future advances in the battle against racism and fascism depend upon understanding and correcting these weaknesses.

In the first place, the day-to-day work of BOSTON '75 was carried out by 150 volunteers at most. Given their numbers, what they accomplished was phenomenal. But their numbers could easily have been doubled if not tripled. The error did not lie in the lack of prior agitational material about BOSTON '75. The project had been amply publicized by brochures, broadsheets, newspaper advertisements, newsletters, etc. Rather, the error lay in the quality of anti-racist work that had preceeded BOSTON '75 on the college campuses. Since its founding conference in 1973, the CAR organization had put forth a three-pronged strategy for students and intellectuals: organize against racist theorists, respond to major racist attacks in the community and elsewhere, and take the offensive against increasing devastation by racist college budget cuts.

WEAKNESSES

On the campuses where CAR and its supporters in PLP carried out this program, large numbers of students and teachers became involved in the process of fighting racism; some militant actions took place; and the CAR organization grew. The problem was that these cases constituted the exception rather than the rule. Many CAR members and leaders—including PLPers—remained fundamentally unconvinced of the need to wipe out racism. This political weakness assumed numerous forms. Some comrades said they failed to see why the budget cuts were racist. Others left CAR to join the AFT or NEA for "practical" reasons and then didn't organize against racism in the union. Others said they couldn't find any racism on their campus. Leaders opportunistically tolerated this situation or agreed with the excuses put forth.

Here again, the result was predictable. How can CAR grow if it doesn't fight racism? How can the party pull the mass movement toward the left and crush the growing fascist threat if it provides weak leadership on this question? Important political developments such as this are not rabbits to be pulled out of hats.

Because CAR and the party had not fought hard enough against the racist thereticians, racist attacks in general, and the budget cuts, the hundreds of students who could have been won to BOSTON '75 as a result of these campaigns never materialized. The 150 who did come to Boston did not represent a significant new force of students won over to the anti-fascist movement in the course of recent struggle. The foundation for a breakthrough had not been laid.

This weakness forced BOSTON '75 to operate within narrower limitations than were objectively necessary and led to other shortcomings. Although the mass response of Bostonians to CAR's program and politics was excellent, the anti-racist campaign never took on the broad-based character it could have had with a greater number of volunteers from various backgrounds. The AFGE experience was CAR's one breakthrough in the trade-union movement. But it depended entirely on the tenuous cooperation of a high union official who later recanted. Other than through street agitation, no real attempt was made to reach workers in key industries in the greater Boston area. The most positive development with rank and file trade unionists came from the Quincy General Dynamics plant. If CAR members and PLPers had fought harder against racism locally in the two years prior to Boston '75, many more volunteers could have been signed up months in advance; the preparations for the project could have been better organized; plans could have been made to get jobs in politically useful industries; a campaign to house the volunteers with anti-racist Bostonians (which could have immeasurably broadened the project's scope) could have been launched.

The same criticism applies to the campus activities of BOSTON '75. Although most of the volunteers were college students, very little consistent student work took place aside from regular bullhorn rallies at several schools. A planned petition campaign against racist budget cuts never really got off the ground. Attempts to enlist active support from anti-racist professors were perfunctory at best. Here again, a larger group of volunteers who had already gained experience in fighting racism at home could have enrolled in Boston summer school programs and worked out strategy in advance.

The mass campaign that did take place around the six-point petition was the glue that held BOSTON '75 together. The 35,000 signatured gathered on it provided an eloquent statement of the needs and

sentiments of most Bostonians. The figure represents an impressive accomplishment. However, it is far lower than the figure that could have been reached even if the number of volunteers had not increased. In the first place, the campaign was slow to start, and valuable time was lost in June. Secondly, like most things, the campaign was uneven once it did get underway. If 100 people had collected 20 signatures a day for 40 days, the drive would have reached 80,000 signatures. This figure was possible. The point is not to play a numbers game with names on a piece of paper but to show that certain key political weaknesses must be corrected if the fight against racism is to succeed. Doubling the amount of signatures could at least have doubled the number of fresh local anti-racist activists and new CAR members. It was within BOSTON '75's grasp to make a good thing much better.

PLP'S ROLE

Finally, a point should be made about the role of the Progressive Labor Party in the project. By spearheading the drive to smash the resurgence of racism several years ago, the PLP helped create a favorable climate for the development of CAR. By organizing the 1975 May Day march in ROAR's own bailiwick, the PLP helped put the fascists on the defensive and gave heart to anti-racists everywhere. Furthermore, PLP gave full organizational and political support to BOSTON '75 itself. Many of the project's volunteers were also PLPers. As members and leaders, they canvassed, conducted agitation, fought the fascists when necessary, and participated in the countless other tasks vital to the campaign. It is not an exaggeration to state that PLP's participation and support were crucial to the success of BOSTON '75.

However, as in every case where the party tries to combine the fight for reforms with the fight for revolution, an opportunist danger develops. Many party members and leaders became so preoccupied with the intimate details of the day-to-day CAR work that they neglected the task of creating an independent presence in Boston for the PLP. The most common formulations of this error were the questions: "How can I put forth CAR's program and the party line at the same time?" or "How can I sell *Challenge* and circulate the petition together?" experience showed that those who did both did more of either than those who didn't. The party's line linking racism, ROAR, and the economic crisis to the bosses' plans for war and fascism was the only explanation that could move the workers and students of Boston beyond the struggle for immediate demands to an understanding of the need for crushing the profit system. This line was not put forth nearly as vigorously as it could have been by various means: sale of *Challenge-Desafio*, actions, organization of public forums and study groups, etc. Some demonstrations were held in the party's name; some study groups were organized; and the circulation of *Challenge* reached a higher level than ever before in Boston. Nonetheless, the party members and leaders who participated in BOSTON '75 can gain from a sober self-critical assessment of their shortcomings on this score. We must all remember that the fight against fascism cannot succeed unless *under all circumstances* the primary goal of the communists who help lead it is to destroy capitalism and build the revolutionary party.

These were some of the weaknesses in BOSTON '75. We mention them here because nothing is perfect and because anti-racists and communists have everything to gain by grasping and correcting the faults in their practice.

With all its shortcomings, BOSTON '75 was still by far the most substantial achievement CAR has made in its short existence. It was also one of the most successful struggles against racism in which PLP has ever participated.

—Despite harassment, threats, intimidation, and violence, an integrated force of anti-racists fought their way through and established a beach-head in the most virulent center of U.S. fascism.

—By so doing, CAR and PLP earned mass recognition as ROAR's only serious antagonists.

—This challenge forced ROAR further into the open, exposed it as a scab, nazi organization, and thereby helped isolate it from the majority of Bostonians.

—With ROAR thus weakened politically, the ruling class and its state apparatus were forced to play a more visible role than they would have liked in promoting fascism. This is good—we forced them to move openly.

—The CAR program emerged as the only serious alternative to the ruling class-ROAR racist axis. The overwhelming response to CAR's demands proved the anti-racist aspirations of Boston's vast majority.

—Despite the party's shortcomings, the people of Boston showed that they were ready for the mass dissemination of revolutionary communist ideas.

—All of the summer's accomplishments helped weaken the fascist offensive planned for the beginning of school. The day before the schools opened, ROAR led a demonstration of 3,000 people at City Hall Plaza. This was about 12,000 fewer than a similar demonstration in 1974. Sporadic racist violence has characterized the school year thus far, but it has not reached last year's proportions. ROAR's public activities have been limited to a series of poorly-attended "mothers' prayer marches" against integration and the organization of the Hicks machine's electoral campaigns.

The fascist movement is far from dead in Boston, but the growth of CAR and the PLP over the summer constitute a serious tactical defeat for it. The task ahead must be to turn this defeat into a rout, both for the ROARites and for their puppeteers in the ruling class.

Regardless of ROAR's eventual development, the bosses have committed themselves to a drastic intensification of racism. Their actions appear to be paving the way for apartheid. The racist movement in Louisville confirms this, as does the ballyhoo surrounding the latest scribblings of "Professor" James Coleman. Coleman is an academic prostitute who earned fame by releasing a study used ten years ago to justify busing for integration. He has now completed a new "study" to prove the monstrous lie that integration actually promotes "white flight" and that busing leads to more segregation. He has filed affidavits to this effect in court for the Boston Home and School Association.

The publicity Coleman has received in recent months indicates that the ruling class is attempting to create a climate of "respectable" opinion that favors a return to officially-sanctioned segregation. A number of leading politicians including Ford and Rockefeller have made recent demagogic statements against busing. Ford had the gall to call for "building more schools" as an alternative only days after he had authorized billion-dollar cuts in the HEW budget.

The ruling class is organizing a desperate fund-drive on our backs. They admit (*Business Week*, Sept. 22, 1975) that their business needs require $4.5 billion in capital over the next ten years. To get it, they will be forced to obliterate vital services to workers and their families. One of these is the schools. The racist anti-busing movement and the Coleman "white flight" gibberish can both be used to justify major slashes in school budgets and thereby virtually eliminate public education in the U.S.

Most significantly, ROAR, Coleman, et al. continue to play a role in paving the way for fascism. Plans like Banfield's proposal for "closely supervised" enclaves of poor people (i.e. concentration camps for millions of unemployed workers) have already been drawn up. In an advertisement published in the October 1 New York *Times*, Rockefeller's Mobil Oil envisions 17 percent unemployment by 1985.

The bosses are aware of the potential for class struggle inherent in the present economic crisis. They are panic-stricken at the thought of confronting strikes, rebellions, and student protests led by revolutionary communists. The fascist movement they are organizing now is designed both to prevent this danger and to create the necessary internal conditions for the next World War.

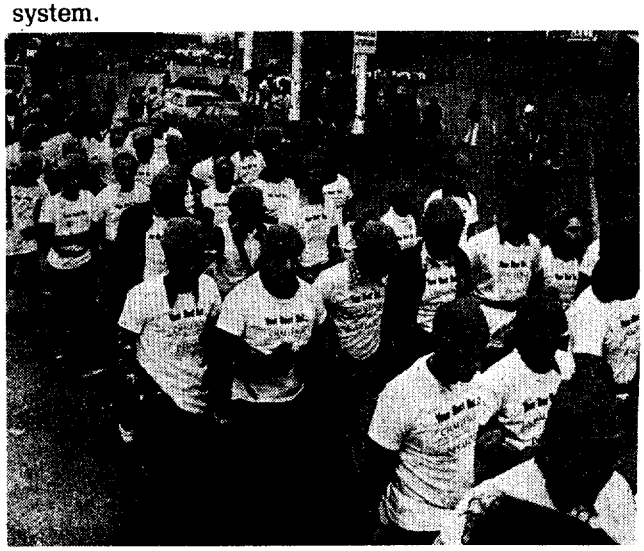
Given this context, the significance of BOSTON '75 cannot be overestimated.

WE CAN WIN!

An enormous and difficult task lies ahead. The tactical victories won by the anti-racist movement can soon be reversed if they are not consolidated. On the other hand, they *can* be consolidated in Boston and elsewhere. The volunteers of BOSTON '75 gained immeasurably from their experience. Trained in sharp struggle, many of them will emerge as new leaders in the class war. Others have been encouraged by their example to enter the struggle.

Workers and students are taking militant action against layoffs, budget cuts, and the general impossibility of living in this society. Strikes and actions against murderous budget cuts are mushrooming. The bosses and the scabs who run the labor movement for them are attempting to break the back of these struggles with racism. Nowhere was this more apparent than in New York and Boston, where two recent teachers' strikes (which had the support of over 90 percent of the membership in each case) collapsed because they did not put forward anti-racist demands in the interest of parents and students as well as teachers. With a program like that of the CAR six-point program, *they could have won.*

The demand for anti-racist reforms, coupled with the revolutionary line of the party, must become the battle cry of millions if the working class and its allies are to turn the bosses' plans for apartheid and fascism into their opposite. With all its shortcomings, the CAR summer project proved beyond doubt that the people are prepared to place their confidence in anti-racists and revolutionaries. The open fascist forces in Boston and elsewhere are vicious but riddled with internal contradictions and totally inept without support from the ruling class. The rulers in turn find themselves daily further enmeshed in the insoluble problems generated by their unworkable system.



A few reasons fascists kept back May 3

Anti-racism *works*. Revolution *wins*. We must continue to take the fight to the fascists in the heart of their seeming strength. Our confidence in the objective aspirations of workers and students must never waver.

The 150 volunteers who came to Boston to fight fascism can multiply into thousands within the near future. By duplicating our successes and learning from our errors, our party and the ar racist movement can help transform the CAR summer project's most defiant slogan into reality:

IN BOSTON '75,
THE RACISTS WON'T SURVIVE!

Boston Updated: Laws and Other Bad Jokes

The CAR anti-racists who had been arrested on the opening day of school came up for trial in South Boston Courthouse on October 2.

The D.A. and the cops told a stream of lies to cover up for the fact that the arrests had no legal basis whatever. The cops denied that they had given CAR permission to demonstrate near South Boston High. They alleged that CAR had been responsible for starting all of the summer's ROAR-led provocations. They testified that the PLP marshalls had been responsible for instigating the May Day violence.

All the above was par for the course. The D.A. exposed himself as a racist when he repeatedly asked in amazement: "How could a black and white group possibly go to South Boston on the opening day of school?"

The prosecution's strategy was to prove that CAR wanted a fight to break out in front of the school, and that violence would have been inevitable had the planned action taken place. However, the D.A. hoisted himself on his own petard, when he called TPF cop Harry Prefontaine to the witness stand and the following dialogue ensued:

D.A.: Did you see a crowd gather near South Boston High before the CAR bus and vans arrived?
Cop: Yes.
D.A.: What was the mood of the crowd?
Cop: They said things like: "Those people are creeps," and they called them communists and mentioned a few other epitaphs (sic).
D.A.: How many of them were there?
Cop: Ten to fifteen.
D.A.: What did you do?
Cop; I asked them to disperse.
D.A.: What did they do?
Cop: They dispersed.

This, then, was the concrete "evidence" amassed by the prosecutor to prove that CAR wanted to induce a provocation on the opening day of school. Ten to fifteen racists went to Southie High, muttered a few unfavorable comments about the CAR welcoming committee—and then went away without making any trouble.

The D.A. thus succeeded in proving exactly the opposite of his point: the CAR demonstration could probably have come off without a hitch. The racists would not have organized anything the cops couldn't have handled.

But then, of course, an integrated group of parents, workers, and students would have exhibited class unity in front of South Boston High; everybody in Boston would have known about it; and the news would literally have gone around the world. This was precisely what the cops, the mayor, and their bosses wanted to avoid. And so once again, they broke their own laws in order to promote racism.

The judge was forced to acquit the defendants for lack of sufficient(!) evidence. Before doing so, he made a windbag speech about how "First Amendment rights are clearly limited under our Constitution."

The very next day, sixty ROAR-led mothers held a racist "prayer meeting" within forty yards of South Boston's Gavin School. Garrity's order forbids gatherings of more than three people within 100 yards of Boston schools. Acting out a crude set-up, the cops arrested a few of the racist mothers, along with James Kelly, a leader of the South Boston Information Center.

The cops put on a great show of manhandling of prisoners—although not one injury was complained of later. This was clearly a move to gain some sympathetic publicity for the fascists. The day after the ROAR pray-in had been stopped, the mothers came to trial before the same Judge Feeney who had tried the CAR case.

All the ROAR-ites were speedily acquitted. *This time, Feeney said: "There are no limitations on the right of free speech and peaceful assembly."*

All of which goes to show that under the profit system, if you organize against racism, you have virtually no rights. If you organize for it, the sky's the limit.

THE DECLINE AND FALL OF FUN CITY

"Felix G. Rohatyn, the investment banker who is chairman of the city Municipal Assistance Corporation, the borrowing agency that has been fighting to fend off city default, set the tone for the sales pitch made to the bankers:

"Welcome to Guadalcanal." (N.Y. Times, 10-8-75)

"Mr. Gotbaum expressed doubt about the usefulness of a general strike in the present situation and said that a walkout in the public sector would paralyze the city and probably result in the authorities calling out the National Guard and the Army." (N.Y. Times, 19-10-75).

"A visitor is immediately struck by the signs of New York's unsurpassed wealth: majestic skyscrapers thrusting boldly into the air, great ships busily plying its waters, expensive limousines hurtling down its avenues, well-dressed people rushing along Wall Street, Fifth Avenue and the other storied thoroughfares. These signs of affluence symbolize the city's position as the capital of American finance and commerce. All the more incredible, then, that the New York City government is broke." (Time, 10-20-75, p. 9)

New York City, the financial, commercial and cultural center for the U.S. ruling class, is broke. The City government is unable to meet its bills. The City came to the edge of default on its bonded debt on October 17 and was bailed out by the sellout union leadership of the teachers' union, Albert Shanker, who handed over to the City $150 million in teacher pension funds.

This pamphlet states the position of the Progressive Labor Party on the fiscal situation in New York. When all is said and done, after all the numbers are studied, after all of the bosses have made their claims, after all the newspapers and radio and TV stations have attacked the working class, after the bankers panic—four key political points stand out loud and clear for workers everywhere:

—First, the ultimate cause of the situation in New York City is the decline of U.S. imperialism. When this is recognized by the working class, then a strategy can be developed to fight against the attacks of the ruling class.

—Second, *regardless of whether the city defaults or not, the effects on the working class will be the same.* The bosses will take it out on the working class and the key factor that will lessen the impact of the

city's fiscal crisis on the working class is *the level of class struggle*. If we sit back like Gotbaum says we should, then the bosses will have achieved a major victory in the class struggle.

—Third, the continuing debate among members of the ruling class about "aid to New York" from the federal government must be seen not as a philosophical fight between fiscal conservatives and spendthrift liberals, but rather as a continuation of and an elaboration of the fights in the ruling class that started with the "old" and "new" money. While the sides in this current battle may not be exactly the same line-up as in the Watergate battles, there is still nothing to be gained for workers anywhere to side with one set of bosses or another. Many of the bosses who want New York City to default see the big New York banks, headed by Rockefeller, as taking a big loss in devalued municipal bonds. Many of the bosses who want the federal government to aid the city, including the big New York banks, want to make sure that these big banks do not take a loss. While many factors come into play when members of the ruling class go at each other's throat, it should not be surprising to us that periods of crisis—the decline of U.S. imperialism—will bring out the differences that do exist among the bosses.

—Fourth, this system cannot work in the interests of the working class. The problems of New York are only one example of a system that is crumbling around our ears. No amount of federal aid, no amount of citizens' advisory panels, no amount of wailing by the bosses will change the unalterable fact of capitalism—it simply cannot work for working people. The only real solution for the working class is to rise up and destroy this system of class rule and fight for a socialist society—the dictatorship of the working class. Under the dictatorship of the working class, there won't be any bankers going around laying off workers so that the banks can receive the interest payments on loans. The bankers will have long since passed from the scene.

THE DECLINE OF U.S. IMPERIALISM

"The jaws that threaten the nation's well-being are not those on the giant fish that looms up in front of moviegoers, but those of the yawning capital gap that faces the U.S. this year and as far ahead as anyone can see. For the failure of the supply of capital to keep up with demand could eat the nation's standard of living alive." (Business Week, "The Capital Crisis," 9-22-75)

"What if we told you one out of six American workers would be out of a job ten years from now? Possibly you." (Chase Manhattan Bank advertisement that has appeared in Business Week, N.Y. Times and Wall Street Journal several times in the past months.)

Introduction

Day after day, week after week, month after month the working people of New York City have been bombarded with countless descriptions of the crisis in New York City's finances. We have been told that the unions have been "too powerful" in the past, that they have ransomed mayors since LaGuardia for cushy wages and plush pensions. We have been told that wizards and magicians have been keeping the books at city hall, that bookkeeping gimmickry has helped push the city toward "default." We have been told that New York City has been "too generous" to the poor, that it is a city with a heart that never knew when to say no.

The working class of New York and in all other cities have been told everything *but the truth* about the financial crisis. New York City's financial problems are not due to generous mayors, strong labor unions or Merlins at city hall. The major cause of the situation in New York City is the decline of the imperialist system. In the United States this decline is reflected in many ways, but the biggest symptom is the developing shortage of capital—surplus value. A shortage of capital means that, as time goes on, the standard of living of all U.S. workers will fall, that unemployment will stay high, that prices will not fall unless there is a full depression, that economic expansion will not occur.

We have been told that New York cannot pay its bills; that means that there is not enough capital to pay them. We have been told that the banks are facing a capital shortage, that the bond markets are drying up, that the real estate financial system is falling apart. These and many other statistics indicate that the situation in the United States for the forseeable future will be one of increasing attack on the working class by the ruling class as they do everything possible to protect themselves.

THE DECLINE

At the end of World War II the U.S. ruling class moved aggressively to seize control of most of the world's markets, labor pools and sources of raw materials. Since then the U.S. imperialist system has eroded as the industrial nations of Europe, Japan, China and the Soviet Union have grown and have begun to take their share of the globe. This rivalry has driven the U.S. out of some areas of the globe while new alliances are being tested against the U.S. Defeats in S.E. Asia have left doubts in many countries about being closely tied to the U.S. orbit.

As the fight developed among the imperialist

nations, the economic consequences likewise grew. A world-wide inflation and recession struck at the same time. The effects on all nations have been serious; look at Britain and Italy. But one significant fact must be pointed out: the U.S. investment *rate* in new machinery and in construction is lower than Japan, France, Germany, Canada, Italy or Britain. The investment rate is an indicator of how much capital there is available for the ruling class—in other words, profits. The lower investment rate is an indication of less profit accumulating. Older machinery and older plants mean that U.S. production will become increasingly less efficient. Less efficiency means that the ruling class will be making even less profits in the future, less than the other capitalist nations. As time goes by, the U.S. loses more of its economic advantage to the other capitalist nations.

In order to keep pace with the other capitalists, the ruling class estimates that it will need possibly up to $4.5 trillion in the next ten years. This money is supposed to go for city, state and local government deficits, residential construction, plant expansion, machinery and a few other items. The ruling class (for example the New York Stock Exchange, the Chase Manhattan Bank, *Business Week.*) also estimates that it cannot figure out where it is going to find $1.5 trillion of that amount. Like the missile gap and the satellite gap, the bosses have coined a new phrase: the "capital gap." The quotes that started this pamphlet are from two leading ruling class enterprises and both deal with this capital gap. Both say quite clearly that this capital gap will cause massive cutbacks: construction will be cut back; unemployment will grow because there won't be enough money to pay the workers; the standard of living will drop. In other words, *the working class is going to pay for that $1.5 trillion gap.*

As an indication of how serious the decline of the *rate* of profit has become for the U.S. ruling class, the Commerce Department has stated that the pre-tax return on invested capital by non-financial corporations (e.g., manufacturing and service) has dropped from just under 17 per cent in 1965 to just over 5 per cent in 1975 (estimated; *Business Week*, "The Capital Crisis," p. 44, 9-22-75). This means that the U.S. ruling class is receiving approximately one-third the return on investment now than it did ten years ago. This decline in profit *rate* has caused and will continue to cause further cuts in the standard of living of the U.S. working class. This situation, remember, is the direct result of the deepening inter-imperialist rivalry for control of the globe.

Where does this capital come from? From the labor of the working class. Workers produce all value in society and in return for their labor they receive wages. The remainder of the value produced by the working class goes to the capitalists to do with as

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New York Times, 10-13-75

they see fit. Even the wages given to the workers are not entirely theirs; some of the wages are taken back by the capitalists in the form of taxes—income, property, sales, etc. During this period of decline, the amount of value produced by the working class is slowing down. This decline in surplus value is the clearest indication of a society whose economic base can no longer compete with the other imperialist powers.

"Ever since the days of Adam Smith, and even before, economists have recognized that capital accumulation requires that a simple—if painful—condition be met: a society must, each year, produce more than it can consume. And if that society is going to grow, it must be able to find a mechanism by which the margin between production and consumption is invested in capital goods that can be used to increase productivity.

"Indeed, as the classical economists up to and including Karl Marx demonstrated with a clarity that eludes modern economists, the entire history of civilization is bound up with capital accumulation." (Business Week, "The Capital Crisis," p. 44, 9-22-75)

The U.S. ruling class can no longer produce the necessary amounts of capital to compete with the other imperialist powers. This is a situation that feeds on itself—the more intense the rivalry, the more desperate the situation for the U.S. ruling class. The more desperate the ruling class's situation, the less able they are to compete against the other imperialists.

What does this add up to for the working class?

What does this have to do with New York City? What can the working class do to protect itself and turn the attack against the bosses?

TWO VERSIONS OF NEW YORK'S "CRISIS"

We are in the midst of a society in decline. Capital cannot be found to undertake expansion of plants and equipment. What this means for New York is the present crisis in city finances.

All municipal governments, all state governments and the federal government are supported by taxes of one form or another. These taxes are produced by the workers in the course of production, as is all value. As the amount of surplus value declines in society, the amount available for use as taxes declines; taxes are a form of surplus value.

Taxes go to support all operation of the city of New York—fire, health, sanitation, welfare, parks, transportation, etc. As the amount of capital declines, the city will be forced to make cutbacks in services, jobs and wages.

This is the important point to remember about the situation in New York: *the existence of the capital shortage will force the ruling class to attack the working class in an attempt to maximize whatever profits can be made. In the case of New York City this attack has taken the form of layoffs, wage freezes, cuts in services, weakening of the unions, increased racism and a lowering of the standard of living of literally hundreds of thousands of people.* The outcome of this class struggle between the bankers and politicians of New York and the working class of New York *is crucial for all workers across the country.* If the bosses succeed here in New York with layoffs of close to 100,000 workers, then municipal workers—and *all* workers—across the country will face the axe. If the bosses fail here, then the working class will have won a major victory and will set an example to workers all across the country.

Keeping this in mind, we will examine the two versions of the situation in New York City—the bosses' version and the working class's version.

THE BOSSES' VERSION

As we indicated earlier, the ruling class has told the working people of New York a series of lies to justify their attacks on the working class. We have been told that the financial crisis in New York has three causes and if they can be corrected, then everything will be all right.

Bosses' Reason No. 1: Many of the budget deficits that have recently surfaced in New York City's budget are due to bookkeeping tricks and gimmickry used by mayors and comptrollers over the years. These tricks and juggling of the books are finally being paid for since anticipated revenues are falling short of the amount needed to pay bills, wages, and the debt that has accumulated over the years.

Bosses' Reason No. 2: The municipal workers in New York are too greedy and their unions are too powerful. The bosses claim that New York City's municipal workers live like kings and queens and that the union leaders are holding the mayor as a political hostage. The bosses claim that the drain on the city treasury due to "plush" pension funds, high wages, low productivity and other fringe benefits have weakened the city's ability to pay its bills to more deserving people—the New York Banks!

Bosses' Reason No. 3: New York City has one great fault. It is a city with a heart; it just "doesn't know how to say no" to the poor, to the unions, to anyone with an empty cup. New York City runs hospitals, has free tuition at the city university and foots much of the bill for welfare. The bosses claim that such extravagance must be stopped if the city is going to be able to pay the interest on all the bonds that the banks hold.

These three arguments will be taken apart rather quickly, both in the middle part of the pamphlet and in the appendices. First, we will summarize the argument of the Progressive Labor Party. Most of this argument was introduced earlier in the pamphlet in the discussion of the decline of U.S. imperialism.

THE WORKERS' VERSION

Workers' Reason No. 1: The only possible way to understand the financial crisis in New York City is to realize that this society is in decline and that New York's problems are but one example of this decline. The inter-imperialist rivalry for control of the globe has unleashed economic forces that make it impossible for the bosses to sustain a standard of living for the working class as it did ten years ago.

Workers' Reason No. 2: One of the main symptoms of this decline is the growing capital shortage. Taxes are an example of this capital which is becoming in short supply. Cities are supported by taxes; hence a financial crisis will inevitably develop for *all cities* during this period of decline.

Workers' Reason No. 3: During this period of crisis, the bosses will inevitably move to protect their class interests. This means that they will launch full-scale attacks upon the working class; in this case it means layoffs, cuts in services, etc. The bosses will also move to protect their money, the bonds that they hold. Bosses' greed knows no bounds and the events in New York have shown that.

In a nutshell, that is the position of the Progressive Labor Party on the causes of the financial crisis in New York.

DEFAULT

Before we go any further, a description of the financial crisis in New York is necessary. The key word to understand is "default." That word has thrown all of the bosses into a panic and has caused every political hack in the country to say something pompous. What does it mean?

New York City, as has been indicated before, is supported by taxes, income, property, sales, fees, etc. These taxes are extracted through various means and pay for a variety of services such as education and welfare. But the city often needs more cash to finance construction projects like schools, bridges or subways. The cash for these projects is not always available at one time through tax collections, so the city borrows large sums of money to pay for these projects. The city usually borrows this money from the banks through the process of selling bonds. (See the appendices for a description of the various kinds of bonds the city sells.) The city decides that a certain project costs $100,000,000. It sells bonds in various denominations ($5,000, $1,000, etc.) to anyone who wants to buy them. Usually only the larger banks and investment houses have the large amounts of capital available to buy substantial numbers of them. In return for the cash that the bankers give the city, the city promises to pay back the bonds with a certain interest rate, say six percent.

Over the years the city of New York has sold billions and billions of dollars in bonds. In repaying the interest on the debt, the city has paid out even billions of dollars more to the banks. This interest on the debt is a major source of capital for the bankers in New York. *The city pays back this debt and interest from increased taxes on the citizens of New York.* The ruling class over the years has used the city as a source of revenue by having it tax the workers more. This capital goes directly to the bankers for them to use as they see fit.

As an example of the profits that the bosses have collected in the form of interest payments, a bond sale in 1973-74 of $668 million will, during the lifetime of the bonds, incur total interest payments of $470 million. This is an effective interest rate of just over 70 per cent! (See appendices for explanation.)

Default can be understood as simply not meeting a scheduled payment on the interest or on the original debt. The bonds that the city sells "mature" on a certain date, i.e. the city agrees to pay back the original amount and the interest on that date. If the city cannot raise the cash to pay back these debts, it goes into "default," and a legal battle is begun by the bosses to see which ones will get paid back first. New York City has so many debts outstanding that each month substantial payments are due and it simply does not have the resources to pay back the debt and to meet the payroll at the same time.

As an indication of how much money the city owes, the following table shows how much the city of New York is in debt at this time just to the twelve largest New York banks.

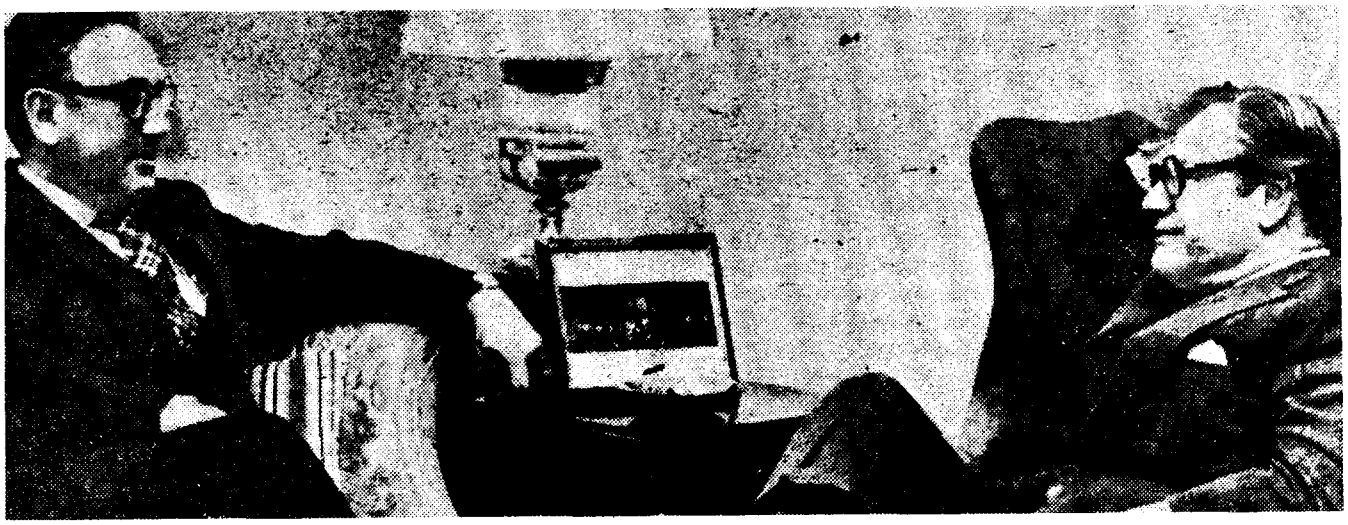
Table 1

OUTSTANDING DEBT TO THE BANKS

Loan or Investment	12 Largest New York City Banks	All U.S. Commercial Banks
	(Billions of Dollars)	
Total municipal holdings	$8.0	$100.4
New York City and Municipal Assistance Corporation paper	2.0	NA
New York State paper	1.5	NA*
Unguaranteed real estate loans	7.6	123.8
Real estate investment trust loans	4.0	12.0
Airline loans	1.0	1.9
W. T. Grant loans	0.4	0.7

Source: *Business Week*, 10-20-75, p. 95

*NA—Not available



Tell me Henry, how'd you like to head the Committee to Elect Rocky God?

All of the above loans made by the banks are now considered to be shaky. The real estate business is still in a depression; W. T. Grant dept. stores have gone bankrupt; and the airline loans are very shaky (Pan American Airways almost went under earlier this year). On top of this is the financial crisis of New York City. The total amount of outstanding loans by the twelve largest New York Banks is $21 billion. These same twelve banks have a total capital reserve from other sources of $11.3 billion (i.e., capital that can be used to cover the loss of such debt if the city defaults or the airlines fail to meet their payments, etc.). As can be seen, the banks may be left holding the bag for a considerable sum of momey.

Default by the city of New York would probably not cause so much worry if it had occurred at another time, ten or fifteen years ago. But with the fast-developing capital shortage and the unstable economy, default causes the ruling class a great deal of worry.

As far as the working class is concerned, default or no default adds up to the same thing: layoffs, wage freezes and cuts in services. For the ruling class the timing of default becomes important. It appears almost inevitable that default will occur, but if the ruling class can work things out in time they can at least cut out their losses and attack the working class even harder.

There are two "schools of thought" among ruling-class members and their mouthpieces in the press: 1) default would be a catastrophe that must be avoided at all costs, and 2) default would not be so bad after all.

The Progressive Labor Party sees no difference between these two positions as far as the effects upon the working class are concerned. The bosses who claim that default would be a financial catastrophe are also the ones who make the loudest noises for federal aid to bail out the city. Both the federal government and these bosses state that in order to get this federal aid "draconian measures" will have to be taken to insure financial stability in the city. Translated this means more layoffs, more cutbacks, wage freezes, etc.

For example, the statements of Treasury Secretary Simon:

"Next day Treasury Secretary William Simon insisted to the Senate Banking Committee that the Administration still opposes helping New York. But Simon, like Burns, had ready advice for the committee in case 'Congress, in its wisdom, determines to do something.' Simon recommended that he be put in charge of a federal bailout 'to determine that the city was irrevocably and unalterably on the path to fiscal responsibility before any such aid could be given.' He added: 'Such aid should be so punitive in its terms and so painful that no other city not facing absolute disaster would think of applying for help.'" (Time, 10-20-75, p. 11)

Those bosses that claim that default would not be so bad also state that default would force the city to change its extravagant ways, i.e. layoffs, more cutbacks, wage freezes, etc.

For example, the *Wall Street Journal*, in an editorial on September 4, 1975, called for the city to voluntarily default instead of continuing to go to the brink of default and scrambling for cash. The WSJ claimed that this action would allow the city breathing room to carry out the layoffs of workers and other cost-cutting measures. Besides, they said, the legal lawsuits to see which bosses get how much money and when could start sooner.

In either case the bosses have declared that the working class will have to take the brunt of the crisis. It has become fashionable among some of the liberals

and pseudo-leftists to appeal to the working class to avoid default. We see this as leading the working class to execution. Choosing sides among this set of capitalists or that set of capitalists has no room in the class struggle. *All* of the bosses have to be fought.

FINANCIAL ASPECTS OF DEFAULT

If the city of New York goes into default or not, the main worry of the capitalists who run the banks is what happens to the value of the bonds that they hold from state and municipal governments. During this period of decline, *any* loss of capital due to bankruptcy makes the ruling class's position even worse. As we showed above, all commercial banks hold about $100 billion in municipal bonds. When a city like New York defaults or even threatens to default, the rest of the municipal bonds are called into question. Already other cities have had to pay higher interest rates to have their bonds sold. The bankers are moving now to avoid losing any money in the bond market by charging higher interest rates.

It should be noted that almost all municipal bonds have been tax-free, i.e. the interest received on the bonds is not taxed by the government. Supposedly to encourage the expansion of municipal services like transportation. Probably an even better reason has been that the cities have been willing to fork over to the ruling class vast amounts of money in the form of interest and the ruling class made sure that this gift was not taxed. For years the ruling class has used the various cities and states as a source of capital. One of the reasons for all the panic among the bosses is the fact that one of their sources of capital—the cities—is drying up.

New York is probably the biggest example of the financial crisis that is rapidly taking over all of the cities. Nationally, among all municipalities, a *surplus* of about four billion dollars in their budgets was achieved in 1972. This year among all municipalities it is expected that the total *deficits* will be about twelve billion dollars—*a drop of sixteen billion dollars in three years!*

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New York's estimated budget deficits are listed in table 2:

Table 2

ESTIMATED BUDGET DEFICITS

Month	Amount (in millions)
September	$ 906
October	711
November	397
December	798
January	1,364
February	638
March	863
April	207
May	112
June	209
	$6,205

Source: *Newsweek*, 9-15-75

As we said earlier, the main differences that have developed among the bosses is the question of when and how to default. The bosses would rather not have the city of New York go into default because of the legal problems involved and the drop in value of the bonds that they hold. Even if the federal government came up with a rescue plan, there would still be some confusion and uncertainty which they cannot really afford. "Depression" psychology can develop even if the big bankers work out a scheme to protect themselves.

The deficits listed in table 2 indicate just how much money the city of New York is expected to pay by next June, money that *it does not have from its normal tax sources.* The creation of Big MAC (Municipal Assistance Corporation—more on this later) was for the purpose of bailing out the city. New York's financial situation had become so precarious that the city itself was not able to sell any bonds to anyone because they were too risky. Big MAC was set up to sell bonds for the city and the cash was to go to the city. The city, however, is responsible, along with the state to a certain degree, for the debt incurred by Big MAC. Hence, the problem as far as the bosses are concerned was not solved, just delayed. The stated strategy behind the creation of Big MAC is to buy time for the City administration and the ruling class to carry out the "draconian measures" that they have so often talked about.

Whether the city will actually technically default is not really a serious question for the working class. It appears that there may be federal aid to New York City from Congress, pushed on them by Vice-President Rockefeller. All that this aid does is prevent

a long and costly legal battle among the bosses for a settlement of the accumulated debt of New York City. It has no effect on the actual situation of the working class. What the federal aid does for the bosses is take all of the city's *short-term* debts—debts that are due within one year—and make them into long-term debts. For the city to get this federal aid, Vice-President Rockefeller stated that:

"It is a very major thing for America that is happening. What we are learning from this is that there is no free lunch. Somebody pays for it. It may be the most important lesson of our time." (N.Y. Times, 10-6-75)

Among other things Rockefeller stated that the city must restore "fiscal integrity" and balance the budget. No boss has stated that this can happen without the layoffs of at least 46,000 city workers, perhaps more.

So the most "important lesson of our time" may be that regardless of whether the city defaults or not, whether the city receives federal aid or not, the working class pays.

MUNICIPAL BONDS

In the appendices there is a description of the various kinds of bonds that the city sells. The only point we wish to make here is that the catastrophe that the bosses continually talk about is a catastrophe in interest rates and profits which they will take out in any way they can on the working class.

The constant talk of default has caused interest rates to rise on tax-free municipal bonds for all cities. Such fiscally conservative cities as Seattle are experiencing increases in bond interest rates. This means if a city wants to build something *it will cost the city more to borrow the money,* which will force the city to tax its residents more or forego the construction project. This is not primarily a problem that can be blamed on New York City; this is the problem of the decline of U.S. imperialism which has created a capital shortage.

For example, the fact that one person could not pay a debt is not an indication that another person cannot pay a debt. Somehow the bosses want us to believe that since New York City cannot pay its debts that Topeka, Kansas cannot pay its debts. The only piece of logic that actually ties New York's problems to those of Topeka, Seattle, Chicago and Buffalo is the developing capital shortage. Money is scarce and this can be traced to the decline of U.S. imperialism, a decline that is causing the economy to produce less amounts of surplus capital, the capital that municipal governments live off of.

The capital crisis of the ruling class, brought on by the decline of U.S. imperialism, has now raised the interest rates on tax-free municipal bonds by one and sometimes two percent:

"Largely because of New York's trauma, the municipal bond markets are in turmoil. Rates on the tax-free securities have jumped almost one percentage point in the past year, costing states and municipalities hundreds of millions of dollars. In recent weeks, states as varied as Massachusetts and Georgia and cities as disparate as Buffalo, Atlanta and Newark have been forced to withdraw bond issues or pay historically high interest rates." (Time, 10-20-75, p. 10)

(A point we will take up later is the role of the cities and states as a source of capital for the ruling class.)

To drive this point home, we only have to look at two cities that are not experiencing an immediate crisis: Seattle and Chicago. Ruling-class mouthpieces have pointed to other cities like these as examples of well-run cities, cities that are not on the brink of financial collapse. There is a shred of truth in this, but only a shred. All cities have sewers, schools, parks, fire dept., traffic lights, streets, some form of public transportation, garbage pick-ups and other municipal services. New York has these and so do Seattle and Chicago. The difference between New York and these other cities is a bookkeeping one, not a real one.

For example, Seattle has a municipal government, a school system that can levy its own taxes, a separate Port Authority, a transit system that is county-wide and funded separate from the city, junior colleges and universities that are run by the state. The city government actually does very little in Seattle except get in the way of working-class struggles. All of the other services that New York has, Seattle has. The only difference is that they are not part of the city government. So if Seattle has a financial problem, it is actually many smaller financial problems whose *net effect* is the same on Seattle that New York's is for that city. Recently Seattle had to lay off 9,000 school teachers who are *not* part of the city government, so the city government is called "fiscally smart" and the school district is called fiscally extravagant (too many programs, too many teachers, too much help for the students, etc.—sound familiar?). Who is kidding whom? Seattle has the same fiscal crisis that New York has.

Chicago is in a similar situation. Its schools, parks and junior colleges are run separate from the city, as

is its transit system. So Mayor Daley runs a "fiscally sound" city and the other agencies have to force the layoffs. What's so different about Chicago?

The bosses know this. That is why the interest rates are rising on *all* municipal bonds. It is not because New York City cannot pay a debt; *it is because all cities during this period of decline cannot pay their bills.* New York is merely the first and the biggest and this has made the problem perfectly clear to the ruling class. The bosses looked at the $100 billion held in municipal bonds and they wanted to make sure that this money was as secure as possible. *Higher interest rates mean that cities must trim their work-forces to pay back the interest on the bonds to the bankers.*

THE DIMENSIONS OF THE ASSAULT ON THE WORKING CLASS

The decline of U.S. imperialism and its consequent decline in surplus capital is causing in New York one of the most concentrated attacks upon the working class yet witnessed by city workers. The dimensions of this assault in terms of hardships on the working class are difficult to calculate; all of us know the feeling of walking the unemployment lines or getting food stamps or telling the landlord that the rent will be late. The estimated layoffs in New York City may reach close to 100,000 workers within a year. These workers and their families number close to 400,000 people—a sizable U.S. city.

A bond sale in 1973 of $668 million will incur interest payments of $470 million.

A partial listing of the assault on the working class by the bosses includes both recent cuts and proposed cuts that appear to be in the cards at City Hall:

1. The most obvious is the layoff, forced retirement or elimination through attrition of city workers. Prior to the crisis the city work force was estimated to be over 300,000. The work force now numbers 263,000. This is a minimum cut thus far of 37,000 and it is probably closer to 50,000. The reason for the "estimate" is that the city has yet to issue actual numbers of employees. As of this writing (10-7-75), the city and the state are claiming that about 40,000 to 50,000 more positions will have to be trimmed to alleviate the capital shortage.

2. The replacement of higher-paid workers with lower-paid workers. In this same period the city has hired over 18,000 workers, mostly minorities, to replace higher-paid unionized workers. (Victor Gotbaum, in a speech on 10-14-75). Most of these newly-hired workers are on federal programs like the CETA program (and hired as "temporary" employees, with few or no benefits.) The net effect of this is to turn white workers against minority workers and to reduce the overall wage levels in city employment. None of the unions have moved to unionize these workers and force the city to raise their wages. Gotbaum and the rest of the cabal are allowing the city to increase racism and split the unions. Workers should unite against this racist union-busting scheme.

3. The unions are agreeing to wage freezes and reduced wage increases that they had previously won in their contracts. The recent teachers' strike in New York produced a contract with a very slim wage increase, among other things. The state emergency control board vetoed the contract and the teachers union leadership, Albert Shanker, has sat back and done nothing. When such criminal acts are coupled with an already high unemployment rate and an inflation rate that does not want to let up, the effects upon the unions will be disastrous.

4. Essential services will be cut back. At the back of this pamphlet there is a listing of the services and operations of the city that have been cut or are in the process of being cut. The decline in city services is a visible sign of the decline of a society. *The Wall Street Journal*, no friend of the working class, in an article on the dismantling of municipal library systems across the country due to a "lack of revenue," stated that all of the problems of cities like New York and Cleveland are to be placed in the context of a civilization in decline. In New York the loss of a hefty chunk of fire protection, transit, schools, hospital care, sanitation and so on is a visible expression of the decline of U.S. imperialism.

5. The unions will be smashed. A recent report from one of the boss-dominated boards explains this clearly:

"The establishment of the Productivity Council was announced by Mayor Beame in October, 1974, as a contractually agreed-to mechanism for the unions and the management to cooperate in achieving productivity gains.

"The council's chairman is Deputy Mayor James A. Cavanagh and it includes representatives from top municipal unions. . . .

"Already the document has become controversial among those who have read it. It deals

with a crucial topic, how to win greater output from the city's 300,000 employees, at a time when New York's fiscal crisis has given that topic high priority.

"The report suggests changes in arcane, but essential areas—the veritable sinews of government—such as scrapping overlapping and restrictive Civil Service job titles, decertifying major parts of the work-force from union representation (emphasis added), instituting pay incentives and bonus plans, and curtailing the powers of central agencies such as the Budget Bureau and the Department of Purchase." (N.Y. Times, 9-22-75)

The grand plan of the ruling class is to smash the unions, the biggest weapon that the working class has to fight against the bosses. The municipal union leadership has gone along with the elimination of thousands of jobs, reduction of wages, larger class sizes in the schools, reduced health care and tearing up of negotiated contracts. They have even handed over union pension funds to buy bonds that even the dumbest of bankers would not buy. Sellouts like Victor Gotbaum, AFSCME District 37 chairman, have willingly endorsed the idea that the unions are part of the problem in New York City. "We're all part of the action," said Gotbaum at a meeting recently. When union leaders stand before their membership and say that the municipal work-force had to be reduced by 100,000 so that the bankers could collect their interest payments, there should be an overwhelming movement to dump the whole crew of labor fakers and call for a general strike.

A second aspect of the assault on the unions is an attempt by the ruling class to seize the pension funds of the unions. The five municipal unions' pension funds have a total capital reserve of $7,542 billion. Of this amount, the union leadership had handed over to Big MAC $906 million as of September 11, 1975. And on the 17th of October, sellout artist of all time, Albert Shanker, forked over $150 million more to the city from the teachers' pension fund.

Shanker was under intense pressure from Governor Carey and Carey's trouble-shooter, Richard Ravitch, head of the already defaulted Urban Development Corporation (collapsed last February). Shanker handed over the money without any of his usual bravado. After the state's control board had cancelled his contract with the city following a five-day strike, Shanker's actions in handing over the funds are simply criminal.

The state of New York had worked out a rescue plan for the city earlier in September that required the state pension funds to buy Big MAC bonds. At least the state unions fought this and the state, as of this writing, has not been able to stick the state pension funds for as much Big MAC paper as they have gotten the city union pension funds to buy.

6. Taxes of all kinds will rise. In sixteen years, the total property tax in New York City *tripled*. The portion of property tax that went to debt service *quadrupled*. In the same period the city's net long-term debt was figured to be $416 per person in 1959 and $769 in 1974!

The uncovering of the various tricks and gimmicks that the mayors and controllers over the years had used to balance the budget have created a situation where the bosses will claim that taxes will have to rise. The bankers and the federal government will insist upon "fiscal integrity" before any aid is given to the city. The layoffs are in progress; revenues must be increased. Revenues only increase if taxes are raised.

The only tax increases that probably *won't* occur are increases in stock transfer brokerage firms in the country to leave for scenic New Jersey. Weeden and Co. moved in an effort to save over $1 million a year. If further stock transfer taxes should occur, then the ruling class may move most of their stock transaction business out of New York City to Connecticut, New Jersey and Westchester, while keeping other operations in the city itself. It would seem that the actions of Weeden Co. are a harbinger of things to come if somehow the tax increases any further. Welcome to Hoboken, New Jersey, financial capital of the world.

When the bosses start talking about not increasing taxes, one has to examine their statements carefully. Kenneth Axelson, J. C. Penney executive and temporary Deputy Mayor for Finance, promises "not" to raise taxes by raising taxes:

"He (Axelson) cited another pledge—that there will be no new tax increases beyond the real estate tax—and said that the mayor had ordered the Temporary Commission on City Finances to study the possible effects of an increase in the sales or personal income tax." (N.Y. Times, 10-8-75)

7. Services will cost more and workers will get less. City University expects to either cut back 20 per cent of its operations or institute tuition. Most likely there will be tuition at CUNY within a year and a cutback of at least ten to twenty per cent. Transit has risen from 35c to 50c and there is the prospect of another 10c increase in January. All kinds of fees and permits will rise in price. Garbage is seldom picked up in poorer neighborhoods. The fire department takes longer to answer calls since some stations are closed. What little effort there was to stop the drug

traffic has been dropped completely. The citizens of New York will continue to get less for their tax dollar as the banks continue to rake in their profits and workers walk the streets looking for jobs.

8. Capital construction projects will be cut out completely. The already depressed construction industry will be dealt a death blow in New York. The city cannot sell bonds for any construction projects and Big MAC can only find enough customers to buy bonds to pay for operating expenses. Since much of New York City's physical plant is very old—schools, subways, streets, sewers—there is a tremendous need for new facilities. Without the bonds the city will continue to deteriorate.

"Mayor Beame intends to sign an executive order today bringing to a standstill any new city construction projects except those well in progress and for which a legal obligation exists.

"And because of a lack of cash for capital construction, Budget Director Melvin N. Lechner said yesterday that he would review the necessity of keeping engineers, architects and related professional personnel on the city payroll." (N.Y. Times, 10-8-75)

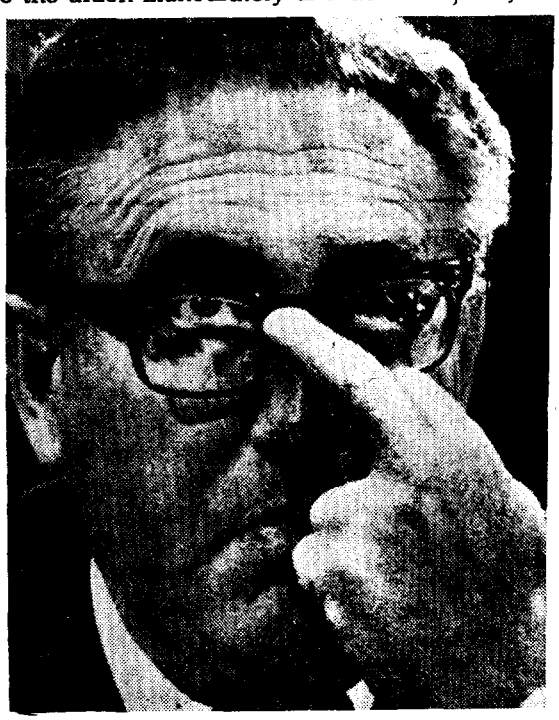
Construction projects are funded out of the city's capital budget (see the appendices for a full explanation of the capital budget) and the source of funds for the capital budget is the sale of bonds. The city itself has not been able to sell any bonds since last March. Big MAC sells the bonds now and the cash goes on to redeem previously sold bonds or to pay other bills, like payroll. The inability to sell bonds will cut into the construction projects deeply.

The decline of U.S. imperialism will be shown most clearly in New York City with a subway system that refuses to function safely or efficiently, crumbling, overcrowded schools, decaying hospitals, massive drug addiction and a huge unemployment rate.

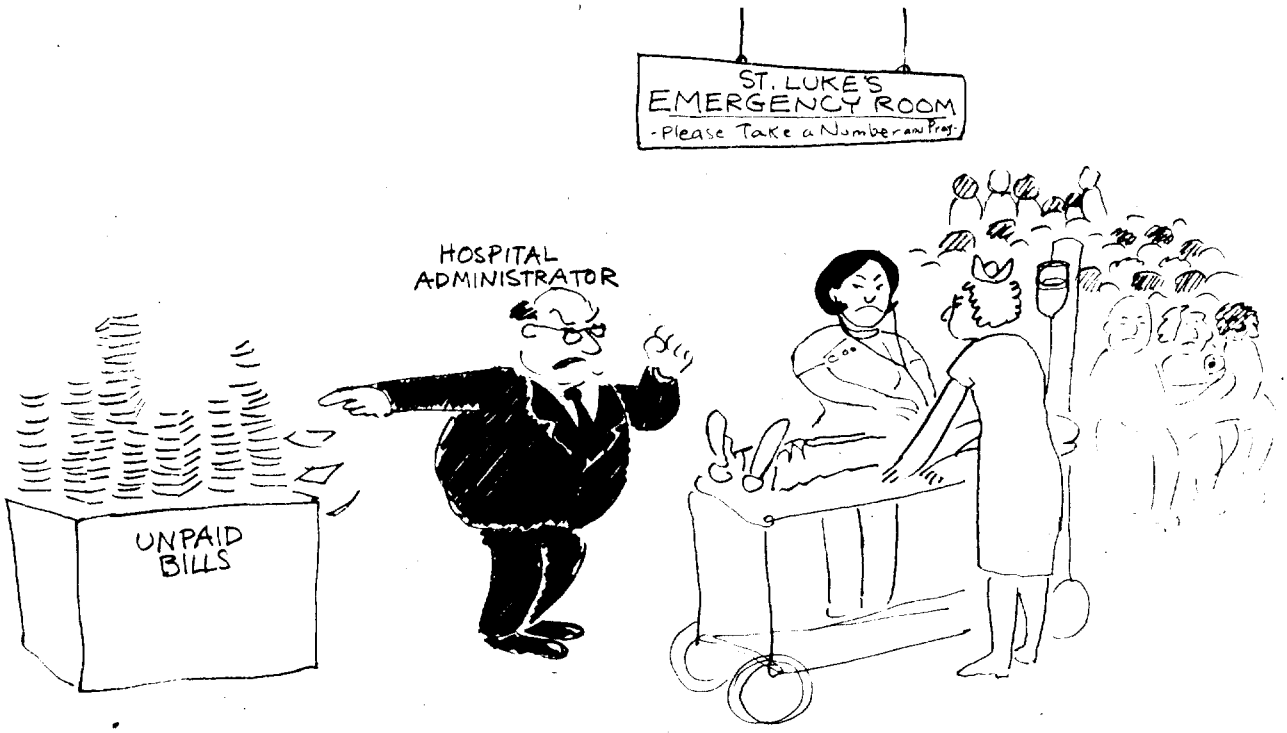
9. Racism is on the increase. New York has huge populations of black, Latin and other minorities and the blame for New York's fiscal problems is alternately tossed on their backs and the backs of the unions. The bosses' press has tried to claim that the huge welfare rolls are filled with "deadbeats." The papers have claimed that if it weren't for the huge welfare rolls the city would be able to reduce its debt quickly. The urban poor are the newcomers from the South and from Puerto Rico, claims the *Daily News*. The open attempt to pit white workers against minority workers during this assault on the working class must be fought before racist mobs start their own solution to New York's problems. The rise of ROAR and similar groups in Queens and in the Bronx are indications that such moves are not in the distant future.

Not only do the minorities receive the blame for the city's fiscal crisis, they are taking the brunt of it in terms of the cuts. Any cutbacks in the welfare program will attack the minorities the hardest. The end of rent control, which has been proposed, would raise slum rents without a single bit of improvements in the housing by the landlords. Increased transit fares hit low-income people harder than the affluent people in the fashionable East Side-Park Avenue apartments and penthouses. The cuts in the school budgets will intensify an already racist situation in New York's schools.

Even those CETA jobs and other federal job programs that have hired minorities in the past months are examples of the bosses' racism. The jobs are all temporary positions and all at lower-than-union pay-scale. The unions are not trying to organize these workers and once their temporary appointment is up they will be out of a job. In the meantime, many white workers could fall for the bosses' line that it is the minorities that have taken their jobs away from them. *The bosses have taken away all of the jobs and they have hired minority workers in these federal programs only to increase racism among city workers. The bosses are trying to turn the attack away from themselves and onto the backs of the minority workers. All workers should oppose this union-busting scheme and bring these CETA workers* **into the union immediately and demand** *jobs for all!*



No I'm not giving you the finger, Nelson. I'm just pointing out where I'll be shot after the workers take over.



How dare you treat that patient when there's a REAL emergency over there!!

10. Loss of more jobs outside the city government. The rise in taxes and the decline of city services will cause more businesses to leave New York for New Jersey, Connecticut and Long Island. Between June of 1974 and July of 1975 the city lost 115,000 jobs through the combination of recession and city fiscal problems. Since 1969 the city has lost 501,800 jobs. The *New York Times* predicted that even with full economic recovery the city will have a net loss of 300,000 jobs between 1970 and 1980. The bulk of these jobs are in the secretarial/clerical field and in sales (about 88,000), garment and other factory work (135,000), service workers (60,000). These figures are valid for *full* economic recovery, which no one expects for several years. The effects of the decline of U.S. imperialism are becoming extremely clear in New York.

11. The housing stock in New York will continue to deteriorate even further, if that is possible. Rent control will be abolished and the poor will have the "luxury" of paying even higher rents to slumlords for no increase in maintenance. Property taxes will rise and even those property owners who want to improve their property will not be able to.

At the same time, the value of property—in terms of what price it can command in the market—will fall. Who could afford to buy a house in New York when there is no guarantee that the fire department will arrive in time to put out a fire or that the sewers will function. Owners will be left with houses that they cannot sell and at the same time they will have to pay even higher taxes. Apartment dwellers will face even tougher times as rents will rise and the buildings will fall apart at a more rapid pace.

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Similar problems will be faced by workers in other cities regardless of whether or not New York defaults on its bond payments. Every city has financial problems. New York's crisis has made it more difficult for other cities to sell their bonds. This has driven up the interest rates by one or two percent. The rise in interest rates will drive up taxes and the cycle will continue. Cutbacks and wage freezes will be the order of the day for all cities as the capital crisis continues.

New York's problem causes such havoc because it is the largest of the municipal bond-sellers. The New York banks and brokerage firms have billions of dollars of New York bonds. The banks realize that they have a problem if New York cannot pay these debts, so they are taking steps to save themselves. Basically this means tightening up the bond market until *all* cities attack the working class for a while. Once the standard of living has been reduced to a suitable level for the bosses, then the bonds may be sold again.

In summary, the attacks on the working class have amounted to a loss of about 50,000 jobs (with another 50,000 likely), wage freezes, a loss in fringe benefits, theft of pension funds, etc. The bosses have taken the decline of U.S. imperialism out on the working class of New York. In dollar amounts alone the attack on the city work-force itself has amounted to almost $2.5 billion since last June. The attacks yet to come will

amount to at least $3.5 billion—which adds up to $6 billion, the amount of the deficit. Since the cutbacks are to be permanent, the capital saved by the bosses is projected to be even larger. Then, when the effects on the rest of the working class of New York City are included, the costs—economic and social—are staggering.

Within one year's time, with inflation, layoffs and taxes and theft of pension funds, the ruling class of New York expects to achieve at least $10 billion in capital!

WHO ARE THE BOSSES.

We have referred to the "ruling class" and the "bankers" in a somewhat general fashion. At this point we will list some of the key bosses involved in the maneuvers to save New York's money for the bondholders. There are a lot of them involved, so it is best to take them by groups: bankers, Big Mac members, the mayor's management advisory board, the state emergency board to oversee NYC government and special appointees.

Bankers:

The New York commercial banks are the most powerful banks in the world. Their bosses make decisions that affect literally millions of people. These same New York banks hold billions of dollars in New York City bonds. Counting all of their municipal holdings of all types, it is estimated that fully 25 percent of their reserves are tied up in municipal bonds and notes. A series of defaults in the bond situation could trigger a collapse of one of the world's largest banks. With the stakes this high, the bosses have made no pretense of democracy. *They have moved in and taken over.*

The bankers that have played a key role in the situation are David Rockefeller, chairman of the board of Chase Manhattan Bank, William T. Spencer, president of First National City Bank, and Ellmore C. Patterson, chairman of the board of Morgan Guaranty Trust Company. The *New York Times* says of them:

"Portrayed as villans one day and heroes the next, the bankers have spent five months working with city and state officials and caucusing among themselves, pushing first for creation of an advisory group, then for sharp cutbacks in city spending and most recently for personal involvement in the crisis by Governor Carey."

These three bankers utilized several of their assistants to work out the deails of all the maneuvers. They are Thomas G. Labreque, exec. v.p. of Chase Manhattan Bank, Richard F. Kezer, senior v.p. at First National City Bank, and Frank P. Smeal, exec. v.p. at Morgan Guaranty Trust. Each of these men are the respective banks' chief bond analysts.

The remaining three bankers from the big banks who called the shots are Walter B. Wriston, chairman of the board of First National City Bank, Edward L. Palmer, chairman of the executive committee at First National City, and William C. Butcher, president of Chase Manhattan Bank.

These nine bankers from the three largest banks in New York initiated the formation of the Financial Community Liaison Group which in turn created the Municipal Assistance Corporation. Other bosses helped in the creation of these groups, of course, but the point is that the nine bankers above represented the New York banks in all dealings with the city.

Over the months the bankers have pushed for city cutbacks and even told Beame whom he should and should not hire as his assistants.

". . . a letter from David Rockefeller to the Assistance Corporation was made public. In it, Mr. Rockefeller called on the city to take dramatic and immediate action to cut costs.

"For the most part, however, the bankers attempted to avoid making such statements publicly. Their moment of greatest discomfiture came when newspapers reported that the bankers were pressing for the removal of First Deputy Mayor James A. Cavanagh.

"'That was a real shock,' said one banker. 'We really felt that we had been had.' The banks responded to press inquiries by denying that they had intruded into city politics." (All quotes from N.Y. Times, 9-8-75)

It should be noted here that Deputy Mayor Cavanagh was the chief aide to Mayor Beame for fiscal affairs. Since then he has been replaced by another boss, Kenneth S. Axelson, senior v.p. of J. C. Penney Stores. Axelson will get his $143,000 a year salary from Penny's while he works for the city. Cavanagh has been relegated to checking the garbage on the Lower East Side.

An article in the *N.Y. Times* of 9-17-75 indicates the power of the bankers when it comes to telling Beame when and how to do something:

"Before a vigorously applauding crowd composed of the city's financial hierarchy, Kenneth S. Axelson was sworn in yesterday as the city's Deputy Mayor for Finance by Mayor Beame who called him 'the man who is going to help us get out of our problems.'

"The ceremony in the Board of Estimate chamber on the second floor of City Hall was attended by representatives of the city's major banks, investment companies and auditing and accounting firms, executives from the Securities

and Exchange Commission, Standard and Poor's and Moody's Industrials Rating Services and Richard Debs, first vice-president of the Federal Reserve Bank of New York.

". . . After Mr. Beame swore him in the presence of 'this wonderful assortment of friends,' Mr. Axelson noted—

"'I see the banks of New York City here. I see the investment houses. The brokerage houses. My friends on the Securities and Exchange Commission. My friends in the accounting profession. Mr. Mayor, if good wishes could get the job done I'd be out of a job now.'

"Mr. Axelson's appointment—announced last Friday by Mr. Beame after prolonged consultation with the bankers—has been widely interpreted as a major mayoral concession to the investment community, which has demanded dramatic public gestures that would be looked upon with favor by prospective investors in the city's securities."

The Municipal Assistance Corporation:

The Municipal Assistance Corporation was created by the bosses through the state of New York to help bail out the city of New York. The main purpose of Big MAC, as it is affectionately known among cosmopolitan New Yorkers, is to sell bonds for the city. The city has not been able to sell any bonds since last March— the bond market has "frozen the city out." Big MAC sells tax-free bonds to the banks and investment houses at a very high interest rate. The money is turned over to the city to meet expenses and payments on previous bonded debt. Big MAC is only a holding device, a gimmick, to buy some time for the city. It worked through the summer trying to raise the cash for the city, but even then the bankers around the country were not overly sympathetic with NYC's plight. They did not buy very many bonds.

Since Big MAC has not been able to raise all the cash necessary for the city until the city eliminates enough workers and cuts costs, the state of New York has attempted even more drastic action. The situation with NYC's financial matters is so bad that people would not buy Big MAC's bonds, which were essentially guaranteed by the state. Most financial people thought that if New York City goes under, then the state of New York cannot be too far behind. So Big MAC was not enough.

The appointees to Big MAC were really made by the banking community through the elected officials, Carey and Beame. Governor Carey's appointees are: Felix Rohatyn, partner in Lazard Freres brokerage firm; Judge Simon Rifkind, partner in the law firm of Paul, Weiss, Rifkind, Wharton and Garrison; Thomas D. Flynn, vice-chairman of the management committee of Arthur Young and Co.; Donna Shalala, associate professor of politics at Columbia; and Robert Weaver, professor of urban affairs at Hunter College. Mayor Beame's appointments are: Francis T. Barry, chairman of the NYC Council on Port Development and Promotion and president of the Circle Line; John Coleman, senior partner in Adler, Coleman and Co. and a former member of the governing board of the New York Stock Exchange; William Ellinghaus, president of New York Telephone; and George Gould, chairman of the Board of Donaldson, Lifkin and Jenrette.

The two key figures in Big MAC have been William Ellinghaus and Felix Rohatyn. Ellinghaus was the first chairman of Big MAC and Rohatyn was the chairman of the finance committee. Ellinghaus has now been replaced as chairman by Rohatyn. Ellinghaus now holds membership on both Big MAC and the state emergency board created in September by the state legislature.

At every news conference held by Beame or Carey on anythng to do with Big MAC, it was always Rohatyn and Ellinghaus who were there to do the talking. The other members may as well not have been on the board for all the influence they had. When Rohatyn spoke, he spoke for the big New York banks. When Big MAC was conceived at a meeting of the heads of the New York banks, Rohatyn was there to help it along.

An article in *Time* Magazine shows the power that people like Ellinghaus have over the Mayor of New York:

"At first the board (state Emergency Financial Control Board) members were shocked into silence (after Mayor Beame delivered a skimpy outline of his plans to them). Then one of them, William Ellinghaus, president of New York Telephone Co., almost shouting, demanded of Beame: 'When are we going to get specifics? Where are the details? What about the next two years?' Beame quietly asked whether the telephone company can plan ahead for three years. Snapped Ellinghaus: 'We can do it for six.' After the meeting Beame told his agency heads to produce firm proposals for cuts by Oct. 22." (10-20-75, p. 12)

Rohatyn has emerged as one of the leading spokesmen of the ruling class in New York. He has been praised by the *New York Times*, the *Wall Street Journal* and *Fortune* Magazine. His word is accepted as the bible by the local press since he speaks for all of the top bankers.

Emergency Financial Control Board:

Once it became clear that Big MAC was not enough for the city, the bankers pressed for more control.

New York City's financial structure was formally taken over by the state legislature in September by the creation of the Emergency Financial Control Board. This board controls the city's budget and approves all spending. Its goal is to impose budget reform on the city (through layoffs and cutbacks) and to enforce the staged elimination of the budget deficits which are now running at $800 million a year.

There has been some flap in the press about the removal of the power of decision from the city's elected officials. Progressive Labor Party sees this as a dodge. When did the Mayor of New York take orders from the electorate? The bankers have always run New York and the creation of this board is a tactical maneuver to allow them to do this more efficiently during the crisis situation.

The power of this Board cannot be dismissed. The recent five-day teachers' strike ended in a no-win negotiation settlement between the city and the union. The Board tore up even that weak contract. Shanker did nothing and it is now accepted that the last word on city finances, on a day-to-day level, rests with the Board.

The efforts of this board will be aided by the appointment of Kenneth Axelson as the Deputy Mayor for Finance. Since it was already shown that the bankers love him, the coordination of the bosses' maneuvers is almost complete.

The members of this control board are the Governor, the Mayor, State Comptroller Arthur Levitt, City Comptroller Harrison Goldin, Albert V. Casey, chairman, president and chief executive officer of American Airlines, William Ellinghaus of Big MAC and president of N.Y. Telephone, and David I. Margolis, president of Colt Industries and a member of the advisory board to Manufacturers Hanover Trust. Felix Rohatyn of Big MAC recommended both Casey and Margolis for membership on the board. Rohatyn is also a director of ITT, and Margolis came up through ITT before moving on to Colt Industries. One big happy club.

Management Advisory Board:

This board was created by Mayor Beame to focus on the way to cut back pensions, Medicaid payments, hospitals and sanitation. It also has responsibility to revise the city budget for the Emergency Financial Control Board.

The chairman of the Management Advisory Board is Richard R. Shinn, president of Metropolitan Life Insurance Company. Shinn has been active in all of the maneuvers of the ruling class during the crisis. The meeting of bosses that created the concept of Big MAC was held at his house.

One of Shinn's pet proposals is incentive programs for city employees (better known as speed-up). Shinn also has the responsibility of evaluating the efficiency of the Mayor's office itself. In other words, Shinn will restructure the Mayor's personal organization and tell him what to do.

The Rest of the Pack:

Many other representatives of the ruling class have been involved in the crisis. The editors of various newspapers and magazines have done their part in rallying public opinion to support each move by the banks. The *N.Y. Times* was grateful to the bosses for the creation of the state control board since things have gotten fairly serious. Standard and Poor's Rating Service, which is run by McGraw-Hill (publishers of *Business Week*) has helped things along by warning the city and the state on the status

of their bond ratings. (A bond rating is an indication of the reliability of a bond issue from a given state or city.)

New York state has a double A rating, the second best possible. New York City has a triple Z rating—it cannot sell any bonds.) Standard and Poor's just warned the state that its new fiscal plan to save the city has now jeopardized its own bond rating. This means that all future attempts to help the city must be accomplished through budget cuts and layoffs. No more loans are allowed.

The point of all of this is that the ruling class has taken organizational steps to control the situation and make sure that "petty politics" do not enter into the situation. (When was the last time you heard from your assemblyman?) Bosses like Rockefeller and the other big bankers, Ellinghaus, Rohatyn, Shinn, Margolis, Casey and Axelson have taken day-to-day control of New York's fiscal apparatus. When we talk about the dictatorship of the ruling class we aren't just saying it for our health. The bosses run this country in all of its facets. They fight among themselves; they will even get rid of each other (Nixon), but when there is a crisis, the bosses have to step in directly to prevent things from getting out of hand. Any illusions about democracy should have been shattered by the actions of the ruling class in the past six months in New York.

CONFLICTS AMONG THIEVES

Note: This section actually requires an analysis of considerable depth similar to the analysis developed in PLP's Watergate pamphlet. In this section we will only sketch the outline of such an analysis.

Not all of the members of the ruling class have agreed with the idea that New York City should be helped. When the term "help" is used, it should be used carefully. When David Rockefeller or Mayor Beame use the term it means that either other banks or the federal government should step in with cash and long-term loans to save the city from defaulting on the bonds held by the New York banks. "Help" does not mean that workers' jobs will be saved; "help" does not mean that taxes will be lower; "help" does not mean that services will be improved. The word "help" only refers to the condition of the bonds held by the New York banks.

So when you see Senator Javits or Senator Humphrey blabbering about the people of New York who will be victimized by the failure to give aid to the city, they are really referring to the bankers. Now some liberal will say to us that Humphrey and Javits and all the others really have the people of New York in mind when they urge aid for the city. To make ourselves perfectly clear on the subject, a little explanation is needed.

The two camps one always hears about in the press are the "default-by-the-city-would-be-a-catastrophe" crowd and those who say that "the city should live within its means and default probably wouldn't be that bad." Generally speaking, the liberals (so-called) are those who urge the federal government to make loans to the city and take on some of the city's bills. Javits and Humphrey have been the most outspoken on this. Humphrey's Joint Economic Committee tried to grill Treasury Secretary Simon on the Ford Administration's policy of no aid to the cities. All of the so-called liberal congressmen from New York like Badillo and Abzug fall into the same camp. Bills written by these congressmen, if passed, would transfer welfare payments from the city to the federal government. All kinds of schemes have been suggested by these politicians except one: the preservation of jobs and the maintenance of services in New York. All of the schemes have the end result of cutting jobs and services. The differences are mainly ones of degree.

President Ford and Treasury Secretary Simon are the two leading spokesmen for the no-aid-to-the-city position. Simon, whom we already quoted, is a strong believer in the position that if the federal government gave financial aid to the city, either in outright cash payments or guaranteed loans, then all the cities in the U.S. would approach the federal government for money. He's probably correct since the decline of U.S. imperialism has left the cities in a bad financial condition.

Ford and Simon agree that a default by the city would not disrupt the bond markets to the point that bankers would be seriously threatened. They do agree that there will be a rise in interest rates for all cities, but that appears to be of no concern to them. The rise in interest rates means billions of dollars for the bankers across the country.

On the other side of the argument are the "default-means-catastrophe-for-the-financial-markets-group." In between, and moving more towards the "catastrophe" position, are the twelve largest New York banks. Originally, at least publicly, the New York banks did not press for federal aid beyond the steps made by the Federal Reserve Board to guarantee the New York banks' financial position. The New York banks hold a considerable amount of Big MAC and City bonds as well as State bonds. If there is a default then these bonds may become worthless. The Federal Reserve has said that they will make short-term loans to maintain the banks' capital position.

"The Federal Reserve Board is willing to let New York City go broke, but it has developed

emergency plans to aid banks that would be threatened by any financial collapse of the city.

"That strategy was disclosed yesterday by Fed Chairman Arthur Burns, who said the board's role as the nation's 'lender of last resort' compelled it to make contingency plans to rescue banks threatened by a possible default by New York City." (Wall Street Journal, 9-13-75)

The people who claim that default would be a catastrophe are primarily the mayors and politicians of other big cities who see their interest rates rising rapidly. The *New York Times* has estimated (10-19-75) that the rise in interest rates in the past few months will end up costing other cities billions of dollars in extra interest to the banks. The mayors will be forced to raise taxes and make further cuts and this will, of course, make them fairly unpopular among workers. The bankers around the country favor federal aid primarily to save their bonds and not because any workers will lose their jobs. The American Bankers Association meeting held in New York recently showed this to be the case. The bankers said nothing about lost jobs or cuts in services. They worried about the bonds they held. Would they become worthless? Would the federal government make guarantees to keep their bonds solvent?

The important thing to remember about the conflicts expressed by various bosses is that each side has said openly that the brunt of the attack must be placed on the working class. We saw earlier that Simon, who is willing to let default take place and does not think that a catastrophe will occur, said that the way to avoid it is to make drastic cuts in the workforce. If default occurs, then he said "make the cuts then." Either way the working class loses. Those who think default would be a catastrophe, who now count in their number Ellinghaus and Rohatyn, are demanding stringent cuts in the city work-force.

So what are the real differences between the two camps? There are two differences in the ruling class. First, the estimates of how severe the effects of default would be on the ruling class revolve around maintaining their profits. Different estimates reflect different financial groups. It does appear that the New York banks now feel that default would be more serious financially for them. The rest of the banking community, many of them hostile to the New York banks, is beginning to fall into line and only because they will feel a financial problem. It should be noted here that the rise in interest rates across the country reflects the bosses' estimate that default would bring about some financial problems for the banks. The higher interest rates will bring the bosses additional capital to make up for any losses suffered if New York goes bust.

The second difference is how different bosses estimate the response of the working class. The bosses probably do not have to fear the response of the city workers' union leadership which, as of this writing, has disavowed any general strikes in response to several attacks already. The bosses do fear the response of the rank-and-file workers in New York. If default meant that pay-checks would not be honored, then there could be a strike, Shanker, Gotbaum and others notwithstanding. If default meant that a strike did occur, the loss in services—transit, sewerage, fire, hospitals, etc.—could cause the rest of the workers in New York to turn their anger against the bosses. Gotbaum, Carey and Beame have all said that default would mean federal troops in New York City. On this kind of "federal aid," the bosses are all agreed.

'Who is Simon?' asked Rocky. 'Just a bond seller.'

With the above discussion in mind it should be made clear that when the bankers plan a strategy there is a great deal of rivalry and difference of opinion. It took them five months among themselves to come up with the plans for Big MAC and the state control board. Within the meetings of the bankers, different strategies were suggested and some banks openly split—National Bank of North America, for example—with the rest of the banks. But once they reached a decision, they remained relatively united in public. With the stakes as large as they are, the differences among the bosses may come to the surface.

Above all it should be clear that once the leading New York banks decide that the federal government should aid New York City to avoid default, then the aid will come, Ford and Simon notwithstanding. As Nelson Rockefeller once remarked about Treasury Secretary Simon after an aide told him that Simon would disapprove of one of Rockefeller's plans: "'Who is Simon?' asked the Vice President. "'Just a bond seller' he said, answering his own question." (*Wall Street Journal*, 9-30-75)

THE ROLE OF THE STATE

In this discussion we will use the term "State" to

Since it's a first offense and you're innocent, I'll let you off with a warning.

mean the apparatus controlled by the ruling class to maintain control over society: the city government, the state government and the federal government are part of the "State."

The events in New York City for the past five months should be a lesson in State power, who runs the State and how. All the standard civic books we read in school claim that we live in a democracy and that we freely elect our officials. It sounds nice on paper, but the realities of life are completely different. Events of the past fifteen years have shown many of us that the word "democracy" is really "democracy" for the ruling class. *They* vote and *they* decide—and that will *always* be the case under capitalism. The main reason the ruling class can do the things they do is that they have control of the state apparatus.

Look at New York's crisis. The bankers decided that there should be a Big MAC. The bankers decided that some of Beame's assistants had to go. The bankers decided that Governor Carey and the state legislature should create the emergency control board. Then the bankers picked the members. The bankers can decide how many workers should be laid off; how many jobs should be lost through attrition; how and when to freeze wages; what services to cut back. In every case and at every step of the way in New York's fiscal crisis, the ruling class was deeply involved in the strategy and tactics of the situation.

The liberal politicians have been relegated to making pleas for federal aid to New York—another boss-controlled apparatus. For the democracy buffs it may be interesting to document the role of the various legislative bodies since the crisis heated up in July. After Warren Anderson, Republican leader of the State Senate, had his day in June by blocking help to New York, there has been not a peep from any of the "leaders" of the people. The word has evidently been passed along to them that they should just go along with the bankers' plans and quit trying to grab headlines.

The key point to remember about the role of the State is that *the key ruling class controls it.* The crisis situation of New York has made that crystal-clear. But even during the non-crisis days the bosses exert their control over the cities and states. Any issues involving money sooner or later have to be cleared with the bankers because they buy the bonds for construction purposes or they have to approve new tax measures, etc. Their role in these cases may not be so dramatic but it is just as effective. Non-crisis situations normally do not require the day-to-day intervention of the bosses; that is why they have stooges like Beame and Carey carrying out the work. When the problems become too severe, the bosses have to step in directly, which is what they did in New York.

One function of the State apparatus, besides being the instrument of control for the ruling class, is being the tax collector for the ruling class. Remember that all government operations from the smallest municipality to the federal government are funded ultimately from taxes. The corporations pay some taxes but it is the working class that is robbed of the bulk of the tax monies.

Once the federal and local governments have done the collecting of the taxes, the bosses have worked out a scheme where the various governmental units make gifts to the banks in the form of interest payments on bonds. It would be difficult for the bankers to just demand the money outright, so they came up with the scheme of bonds. Bonds allow the city to build things like subways and for this favor the ruling class exacts the interest payments amounting to billions of dollars every year across the country. We should never forget that all of this money—taxes, bond proceeds, interest payments—came from the labor of the working class and from nowhere else. So who's doing whom any favors?

All municipal bonds are tax-exempt. That means that all the interest that the banks make on the purchasing of bonds cannot be taxed. Then think of all the bonds that must be sold to finance major projects in all of the cities across the country. Thousands of schools, streets, sewers, parks, utilities, street lights, mass transit systems, hospitals, airports and harbor facilities, buildings, water mains and so on are all financed by tax-exempt bonds. Over the years the interest on these bonds have resulted in

hundreds of billions of dollars for the ruling class. The federal government is another source of capital for the ruling class; the Lockheed loan and the aid to Penn Central R.R. are but small examples. Defense Department contracts are a source of billions more every year.

Therefore, not only are the various government units instruments of control for the ruling class, they are collectors of capital on a grand scale for the ruling class.

This bring us back to our main thesis about the situation in New York. There is a growing shortage of surplus value in society. Taxes come from the surplus value produced by labor during the course of production. The *rate* at which this capital is being produced is falling. Inflation and recession are compounding a serious situation and capital is rapidly becoming scarce. The hundreds of billions of dollars in tax revenues used by the ruling class is dwindling. Tax-supported municipal operations and construction will have to contract. So, regardless of how honest the books were kept in New York, regardless of how stingy or scrupulous the various mayors were, *New York would still be in a fiscal crisis.*

PROGRAM

The ruling class has enacted a program of smashing the unions, of whipping up racism, of cutting services, of layoffs and wage freezes. Unemployment, higher taxes and rents, higher costs for city services (and less services) and a weakened working-class movement will be the end result unless our class and our Party organizes to fight back.

Let the bosses collect the garbage. Let Gotbaum put out the fires. Let Beam drive the trains. Let Rockefeller sweep the streets. Let Simon work in the sewers. If the working class of New York says no to any layoffs and cuts in services, if the working class strikes—a general strike—then the bosses will be forced to the wall. If the working class does not strike, does not fight back, then it is driven to the wall. In New York City there is no middle ground to even think about holding. The class divisions are clear. Either the bosses win this round and score a major victory during this period of decline of U.S. imperialism or the workers win and force the bosses to suffer a major defeat.

The Progressive Labor Party believes that the only way to deal with the situation in New York City and across the country is to fight the bosses at every point; don't give up a single penny to the ruling class. Such a struggle needs a program to carry the working class to victory and by victory we mean socialism, the dictatorship of the working class.

This program must include:

Seize the unions from the misleaders and other creeps who front for the bosses. Sellouts like Shanker and Gotbaum have to be dumped. They have taken huge layoffs and wage freezes sitting down. They have handed over union pension funds to Big MAC, jeopardizing the retirement funds of thousands of workers. They have encouraged racism within their own ranks—the school situation in New York is a case in point. At every turn in the class struggle the union leaders have sold us out. Rank-and-file caucuses must be organized with the primary goal of *seizing power* in the unions. Shanker knows what power is. Gotbaum knows what power is. Rockefeller knows what power is. And they wield it for themselves. The working class should know what power is and we should wield it for ourselves.

Fight racism on the job and in the community. The bosses have tried to blame everything on the workers, especially minority workers. "Welfare to the lazy is the source of the problems," claims many a ruling-class rag sheet or mouthpiece. The bosses hope to split the working class apart, perhaps violently with fascist mobs. We must not allow this to happen. Black, Latin and white workers have to organize together to fight racism and to mount the offensive against the bosses who are the real enemy. CETA and other federal-funded job program workers must be organized into the unions now, and at full wage parity.

General Strike! The city workers must use the weapon of the general strike if cutbacks, wage freezes and layoffs are to be stopped. We cannot let the bosses take a single penny away from us or eliminate a single job. A fighting working-class movement, united against racist attacks, must defend itself from the onslaughts of the bosses. A general strike is the key weapon in our arsenal.

Launch the offensive against the ruling class; demand higher wages and better conditions. The bosses are in a financial crisis and we have to attack them. We need more jobs and higher wages. Inflation and recession have erased many of our gains over the years. The fiscal crisis has taken away even more. Movements for a shorter work-week and for higher wages must be launched under the leadership of rank-and-file caucuses.

Let the bosses take the losses. The main source of drain on municipal budgets is the constant debt and interest that must be paid to the banks. This money could be used to save all of our jobs and give the workers a good wage boost. All of the gains that the working class needs in the sort run can be met simply by cancelling the debt. Of course, no boss will do this voluntarily, short of socialism. A fighting working-class movement must have this as its goal.

Socialism. The real solution to the fiscal crisis in New York, as well as the solution to *all* of our problems, is the destruction of the capitalist system and the destruction of the bosses who run it. The dictatorship of the ruling class must be replaced by the dictatorship of the working class. Socialism, a society run by and for the workers, can reorganize the cities. Workers will no longer be hostages of a few imperial bankers. Workers will no longer be oppressed by a huge debt to the banks. Cities will be re-built to meet people's needs, not the needs of the bankers.

To do these things requires the leadership of a communist party—the Progressive Labor Party. PLP's leadership in strikes and in unions is essential at the tactical level. But more importantly, the political leadership of the Party in the working-class movement is necessary. Workers must build the PLP in every shop and factory and union. The leadership of the Party is needed to seize power and build a socialist society. Join the PLP and fight for socialism.

SEIZE THE UNIONS FROM THE SELLOUTS!
FIGHT RACISM!
NO CUTBACKS! NO LAYOFFS!
MAKE THE BOSSES TAKE THE LOSSES!
FIGHT FOR HIGHER WAGES AND MORE JOBS!
BUILD THE PLP!
FIGHT FOR SOCIALISM!

Appendix 1

In this appendix the method of preparing city budgets is explained briefly. The ruling class has used the argument that the city failed to use "standard accounting techniques" in its budgets and hence the problem. The bosses also have used the arguments that the workers are to blame along with an over-generous fault in the city "spirit."

How the Bosses Explain Away a Crisis Situation:

If you have been reading any one of the bosses' newspapers or listening to TV or radio, you have probably heard of terms like bonds, default, interest, liquidity, short-term notes, expense budget, capital budget and so on. The bosses have shrouded their crisis situation in a sea of words, words that intimidate the average person. The bosses hope that by surrounding New York's money problems in a sea of mystical words they can create the illusion that only *they* can save New York, only *they* have the knowledge and brains to get New York out of its mess. The truth is that the bosses got New York *into* this situation.

A city like New York depends upon the receipt of tax money in various form in order to meet its bills. Taxes come in all varieties: city income tax, city sales tax, business tax, gift tax, property taxes, etc. The city also gets grants from the government—federal grants, state grants. Of course, these grants are *also* paid for out of tax money.

New York takes in the tax money under authority from the State of New York. Both the State Constitution and the State Legislature give the city of New York taxing authority. The taxes go towards paying the budget drawn up by the city's Bureau of the Budget.

Basically what happens is that the Board of Estimate in the City government tries to figure out what the income of the city will be from its taxes (and fees, for licenses, etc.). This is their so-called educated "estimate." The city's Budget Bureau draws up an Expense Budget that supposedly must be balanced with the estimate of income by the Board of Estimate. So far, it seems simple enough.

The Expense Budget is simply an allocation of available tax money to the various regular city departments and agencies. These include agencies and departments like fire, sanitation, health, schools. The Expense Budget includes no items for major construction projects or major capital purchases of equipment, like subway cars. Its only function is to allocate funds to the normal city departments. The bulk of the city's employees are paid out of the Expense Budget.

One of the biggest chunks of tax money that supports the Expense Budget is property tax. The amount of property tax influences the value of a house and the rent structure of the city. The amount of property tax that the city can raise to pay for the Expense Budget is limited by the state constitution. Once that limit has been reached (assuming no bookkeeping tricks) and the city has no other source of income, then the city must cease adding items to the Expense Budget, or even cut back on the Expense Budget.

Now if the city wants to build a bridge or build a park or make another subway, it must raise money beyond the regular taxes. Normally, the city has three sources for this money: federal grants (outright) and matching grants, state grants (outright) and matching grants, and the sale of bonds. As for the grants they are easily explained. The federal government will often make a grant to the city for a specific purpose and it will not have to be repaid. The federal government also makes grants that are called "matching grants." These are contingent upon the city raising other money to "match" the grant. The federal matching grant does not have to be re-paid.

We are getting close to the explanation offered by the bosses. Bonds are sold by the city to raise capital. Banks and companies and individuals buy them with cash. The cash goes to the city and the banks, etc., become the bondholders. In return for the favor of

using the cash obtained from the bond sale, the city promises to pay back to the bondholders both the principal (the original amount) plus interest and this interest is usually tax free (to "encourage municipal development").

The cash obtained from bond sales and other grants goes towards what is called the Capital Budget. This budget allocates these funds to the various construction projects the city has planned. These employees are not regular city employees; they are "contract employees"—hired for a specific task. As usual, the Board of Estimate and the Bureau of the Budget go through the same process to balance the Capital Budget. And the State Constitution also sets a limit on the amount that the city may go into *debt*—total amount of bond sales plus the interest—at any one time. The amount is pegged to the assessed value of the property in New York City (it is ten percent of the latest five-year average of the total assessed valuation of all property in New York City).

An interesting point must be made here. The State Constitution limits the amount that property can be taxed to pay for the Expense Budget. However, there is no limit on the amount that property can be taxed to pay back the incurred debt and the interest on the debt. So if times are bad, the bosses have made sure that they will get their money.

Now, if New York had been completely honest in its bookkeeping methods, it would have followed the above procedure, and do you know what would have happened? New York would have met its financial crisis about five years ago, during 1969-70. The bookkeeping tricks (that will be explained below) merely *delayed* the "day of reckoning"; *it did not cause it.*

We cannot begin to explain all of the tricks used by the city controllers, boards of estimate and the budget bureaus over the years, but we will explain a few of the more publicized ones.

First, the use of public corporations to incur city debt was a gimmick that both the city and the state of New York have used over the years. This is how it works.

As we mentioned before, the city is limited by the state constitution in the total amount that it can go into debt (approximately $7 billion). In order to get around this detail, the city set up public corporations which were allowed to sell bonds. These public corporations undertook capital projects and the city was obligated to finance the corporations. So one of these public corporations would sell some bonds and the city was obligated to repay the bonds plus the interest. This resulted in a drain on city funds—and it was not classified as city debt although it had the same effect as a regular city debt. The total amount that the city has to pay into this category was, in 1973, over $1 billion. The agencies that incurred the debt for the city were involved in construction of CUNY buildings ($578 million), housing development, health facilities and educational facilities ($298 million), and aid to NYC Trainsit Authority ($151 million).

As we mentioned earlier, the banks always make sure that they get their due. The following quote—taken from a state law—illustrates two important points. First, the quote:

AFT members corner Albert Shaftum

"In the event that such city fails to make any of the payments required to be made . . . , the state comptroller shall deduct an amount necessary to meet such payments from any moneys available from any succeeding payments of state aid apportioned to such city; except, however, that prior to any deductions from moneys available for payments of state aid apportioned to such city as per capita state aid for the support of local government . . . . , the moneys, if any, payable to the city university construction fund . . . or to the New York City housing development corporation . . . or to the transit construction fund . . . shall be paid in full to such fund or corporation." (Chapter 3, Laws of 1974)

What this legal mumbo-jumbo attempts to say is that the state of New York will make sure that these debts are paid with money deducted from state aid to New York City. So the bankers, who are the holders of the bonds, had the state legislature put in writing that they would get paid. The second point that we should keep in mind throughout this mess is that the state legislature helped the city all along—a point that the ruling class press does not dwell on. The state legislature—always complaining about the "generosity" of New York—was doing the same thing itself.

The second big gimmick used by New York administrators was to use the proceeds from bond sales to finance normal operating costs of the city. Remember that the original purpose of a bond sale

Shanker has even handed over union pension funds even the dumbest of bankers wouldn't buy.

was to finance *capital* projects—items outlined in the capital budget. Property tax to pay back bonded debt is *not* limited by state law. Also remember that the normal operating expenses of the city were supposed to be limited by the state constitution to a certain amount—i.e., property tax could rise to only a certain level to meet expenses. This was aimed at keeping the city in line.

Well, when the city started using bond sales to finance the *expense* budget, two things occurred. First, the amount of capital available to finance capital construction projects was reduced. (The city could go into debt to a maximum of $7 billion. That means that once bond proceeds go to pay operating expenses, the amount available for construction is $7 billion minus the bond proceeds that went to the expense budget). This resulted in the city using gimmick number one above—setting up public corporations to perform the construction and incur the debt for the city.

The second repercussion from this was a tremendous increase in the effective interest rate that the city had to pay on its bonds. This is complicated, so we will use an example from humbler financial worlds.

Suppose that you borrow $100 a 6 percent interest for one year. That means that you promise to pay the person who gave you the money a total of $106 in one year's time. The payment schedule is worked out to be $8.88 a month. Further suppose that you are desperate and you have to borrow the $8.88 to pay back the first month's installment. So you borrow $10 at 6 percent to be paid back in two months—a total to be paid back at $10.60 in two installments of $5.30. And the process repeats itself each month: borrowing to pay other debts, each time incurring more debt through interest payments.

For small amounts of money it may not seem like a lot. But when New York does something, it does it in a big way. An example of this: a bond sale in 1973-74 of $668 million to cover operating costs will incur a total *interest* payment of $470 million over the life of the bonds. This is an effective interest rate of just over 70 percent!!!

The items in the operating or expense budget that the city sold bonds to finance were:

Judgments and claims, since 1964	$741 million
Added interest brings this to	885 million
Manpower training programs, Since 1969	200 million
Added interest brings this to	312 million
Operating expenses of Board of Water Supply	10 mil./yr.
Added interest over 40-year period	14 million

There are many other examples of this kind of financing hidden throughout the expense budget and the capital budget. Much of the accumulated deficit of over $3 billion comes through this gimmick.

The over-all effect of these gimmicks has been the following: First, construction projects necessary for the city have been held up because bond proceeds have been diverted to operating expenses. This is leading to a steady deterioration in the quality of life and the effectiveness of services in the city. Scarcely a day goes by without some major problem in New York—sewers, the subways, torn-up highways—that can be traced to this shortage of capital for construction projects.

The second effect has been a steady rise in property taxes and other taxes to pay for the increased interest payments. This increase in taxes hits the working class the hardest (see later sections for fuller explanation of the effects on the working class).

Appendix 2

NEW YORK CITY DEBT SERVICE PAYMENTS

Fiscal Year	Debt Service (in millions)	Percent of City's Expense Budget
1959-60	$ 377	17%
1960-61	402	17
1961-62	400	16
1962-63	400	14
1963-64	433	14
1964-65	470	14
1965-66	545	14
1966-67	626	14
1967-68	650	12
1968-69	667	11
1969-70	676	10
1970-71	778	10
1971-72	844	10
1972-73	1,091	11
1973-74	1,135	11
1974-75	1,753*	17*
1975-76	1,886	14
Total	$13,123	

*Includes $308 million of Budget notes reclaimed with

funds outside of the Expense Budget.
Source: NYC Budgets

Debt Service is the money the city pays to the banks each year to pay off the bonds the city previously sold. Debt service includes both interest and principal.

Note: Due to bookkeeping tricks over the years, the above figures are *low* estimates. The actual debt service has risen as time goes on, higher than the figures given above.

STATEMENT OF DIRECT DEBT AND DEBT-LIKE COMMITMENTS ($ in millions)

Direct Debt			
Bonds:			
General purpose	$2,579		
Education	1,015		
Transit	1,950		
Water	748		
Docks and piers	263		
All other	362		
Total bonds outstanding	6,917		
Less: Sinking funds	920		
Net bonded debt		$5,997	
Temporary borrowings:			
Bond anticipation notes	957		
Urban renewal notes	100		
Budget notes	308	1,365	
Net Direct Debt			$7,362
Long-Term Debt-Like Commitments			
Lease-Purchase Arrangements:			
City University Construction Fund, N.Y. State Dormitory Authority		178	
Municipal Health Facilities, State Housing Finance Agency		335	
N.Y.C. Transit Authority		65	
Subsidy:			
N.Y.C. Transit Authority		151	
Other:			
N.Y.C. Educational Construction Fund		51	
N.Y.C. Housing Development Corporation		247	1,027
Total Direct Debt and Long-Term Debt-Like Commitments			$8,389

These figures are of June 30, 1973. The following fiscal year produced even further debt and debt-like commitments for the city.

Source: *Report on the Debt Structure of the City of New York,* Office of the State Comptroller, Arthur Levitt, State Comptroller.

ESTIMATE OF CITY REVENUE FISCAL 1976 ($ in millions)

Real Estate Taxes:	
Tax levy for 1975-76	$3,246.8
Less estimate (at 10%) for taxes that will not be collected in the 1975-76 fiscal year	—324.7
	2,922.1
Less discount for prepaid 1975-76 taxes	—10.0
	2,912.1
Plus collections of prior year taxes	+55.0

Total real estate taxes	2,967.1	2,967.1
General Fund Revenues	4,041.2	4,041.2
Supplemental revenues		
Federal and State aid	4,531.7	
Less provision for estimated uncollectable state-federal aid	—150.0	
Total Supplemental Revenues	4,381.7	4,381.7
Other city revenues	268.0	268.0
Total City Revenues		$11,658.0

Source: Emergency Financial Control Board

ESTIMATED BUDGET DEFICITS

September	$ 906 million
October	711 million
November	397 million
December	798 million
January, 1976	1,364 million
February	638 million
March	863 million
April	207 million
May	112 million
June	209 million
	$6,205 million

Source: *Newsweek*, September 15, 1975

Appendix 3

PARTIAL LIST OF PROPOSED CUTS

Transit—Subways

4% reduction of IRT subway trains (effective Sept. 1, 1975).
2% reduction of IND trains (effective January 1, 1976).
2% reduction of BMT trains (effective January 1, 1976).

—Estimated savings: $2 million from lost jobs.

—Additional cuts by all units of the Transit Authority amount to $42.5 million.

Construction

Major Projects Endangered by Capital Funds Cutbacks

Project	Total Cost	Spent So Far	Needed This Year	Jobs Created So Far	Remaining Job Potential
Howland Hook Containership Terminal, Staten Island	$74,233,000	$59,000,000	$13,200,000	1,000	9,750
Hunts Point Food Processing and Distrib. Ctr., Bronx	120,000,000	93,000,000	12,400,000	2,500	5,495
Northeast Marine Terminal, Brooklyn	76,000,000	29,500,000	6,300,000	1,000	850
Red Hook Containerport, Brooklyn	57,000,000	25,000,000	3,000,000	—	1,350
Columbia Sugar Refinery, Staten Island	3,200,000	170,000	550,000	—	312
Brooklyn Cooperative Meat Market	24,150,000	23,000,000	1,000,000	—	(700*)
Elmhurst Dairy Expansion, Jamaica, Queens	800,000	—0—	800,000	—	400
Fordham Plaza, Shopping and Office Center, Bronx	4,500,000	—0—	3,000,000	—	1,000
Spring Creek, Industrial Park, First Phase, Brooklyn	1,000,000	—0—	1,000,000	—	1,000
Zinzone Industrial Park, Bronx	18,000,000	—0—	10,000,000	—	2,000
Zarega Avenue Industrial Park, Bronx	5,500,000	2,000,000	3,500,000	—	500
	384,433,000	231,670,000	54,750,000	4,500	22,657

*Jobs to be kept in city by transfer from Fort Greene market

The New York Times/Oct. 27, 1975

—Estimated cuts as of Sept. 12, 1975; $345 million.

—Additional cuts estimated to be at least $74 million.

—Affects all major capital construction projects in the city.

Housing—Estimated 50,000 apartment units in the planning stage will be cut.

Layoffs—Already through attrition, forced retirement and layoffs—at a minimum—37,000 jobs have been eliminated. The hiring of 18,000 temporary workers on federal programs like CETA bring the *actual* layoffs to 55,000. The actual number of layoffs thus far may be over 65,000 since accurate numbers of city employees have never been published by the city.

—Big MAC estimates that savings gained by elimination of 48,000 further positions may be needed within two years.

—Estimated avings from the elimination of 48,000 jobs is approximately !3.3 billion (wages, social security, etc.).

Appendix 4

GLOSSARY OF TERMS

Assessed valuation: Valuation set upon real property for the purpose of applying a tax rate to it. The assessed valuation is usually less than the full or market value. However, in this particular period the market value of homes in NYC will be dropping but the assessed valuation will not.

Debt Limit or *Debt-Incurring Power:* Maximum amount of long-term debt that the city may borrow under the restrictions of the State Constitution. There are two kinds of long-term debt that the city can take on: general purpose and special purpose debt.

a. *General purpose debt* is limited to 10 percent of the latest five-year average of full valuation of taxable real estate. For New York City this formula is approximately $7 billion.

b. *Special purpose debt* has three main categories:

1. Housing purpose debt limit is 2 percent of the latest five-year average of assessed valuations of taxable real estate. Note that full valuation differs from assessed valuation. Full valuation refers to the market value of property and is generally higher than the normal assessed valuation.

2. Construction, reconstruction and equipment or rapid transit railroads is limited to $500 million.

3. Construction, reconstruction and equipment of hospitals is limited to $150 million.

Additional funds may be borrowed in addition to the above for various city purposes without regard to any limit. These borrowings are called *Excluded Debt.* Examples are water supply, sewage and some revenue-producing facilities.

Debt Margin: This is the extent that the limits placed by the constitution of the state of New York on debt exceed the actual amounts of debt. If the limit is $7 billion and the city has already borrowed $5 billion then the debt margin is $2 billion. This is a fancy phrase for indicating how much more money the city can borrow legally.

Debt Service Requirement (annual): This is the total amount the city must pay during a fiscal year for interest on all outstanding debt, bond maturities and sinking fund installments. *Default* occurs when the city cannot meet a bond maturity. *Maturity* means that the bonds themselves must be re-paid, e.g., the due date of the bond.

Direct Debt: The debt any government unit or agency has incurred in its own name. Bonds issued by the city of New York are examples of direct debt. Bonds issued by public corporations which the city must pay back are examples of *debt-like* commitments. They have the same effect as direct debt.

Full Faith and Credit: This is the pledge of the city's general taxing powers to pay back its debts. In other words, it is a statement that the city uses its taxing powers as its collateral to pay back a debt.

Full Valuation of Taxable Real Estate: Estimated market value of real estate by the State Board of Equalization.

Funded Debt: These are long-term obligations (maturity date of more than one year after issuance). There are two kinds of funded debt in New York City: serial bonds and term bonds (also called corporate stock). Term bonds have not been issued in the past few years. Serial bonds are long-term bonds which mature in annual installments. For example a serial bond of $10,000 may mature in annual installments of $2,000 for five years.

Gross Bonded Debt: The total amount of direct debt. This is calculated by taking the total amount of the outstanding bonds and subtracting the amounts earmarked for debt service and for sinking funds. *Sinking funds* are the assets set aside to meet the payment of the principal amount due when bonds mature. So, suppose a $1,000 bond is due on January 1, 1977. It has an interest of 6 percent, so a total of $1,060 is due on January 1, 1977. The sinking fund is $1,000. It does not include the interest that must be paid.

Net Debt: This is the amount left when any funds

(continued on inside back cover)

anti-communism in movies

Taking into consideration that the modern cinema, being a great technical conquest of human genius, is now in the hands of the bourgeoisie, displaying a school of corruption, crime and moral decay. Together with this it appears as the bearer of the ideas of the ruling class with the intention of the strengthening of bourgeois conceptions and morals among the proletariat. Under the conditions of genuine peoples' power the cinema can be formed into a real and potent weapon for the enlightenment of the working class and the broad masses of people, and one of the most important means in the sacred struggle of the proletariat for the release from the narrow path of bourgeois art. It will promote the development of class consciousness and the growth of international solidarity and it will invigorate the spirit and brighten the passionate ideals of the struggle of the proletariat for socialism.

Russia, September 1917
Resolution on the cinema by a conference of workers' educational organizations called by the Central Council of shop-factory committees.

Sometimes Hollywood, the TV networks, or public television pulls a fast one on us. They show the working class with dignity. They portray our struggles with some honesty, Why? After all, we know that Hollywood is a big industry run, like any other, by wealthy businessmen. They themselves and friends of theirs rule the other media as well.

The ABC radio and TV network, for instance, is controlled by the Morgan financial group. CBS is under the same control, with the additional guiding hand of the Rockefeller interests. NET (or PBS, public television) was created in 1953 by the Ford Foundation which funds it, selected its Board of Directors, and reserves the right to inspect every program produced with their money. In turn, the Ford Foundation is controlled by the Morgan and Rockefeller banks.

Why then do they produce movies like **Claudine** or TV films like **The Autobiography of Miss Jane Pittman** which portray to some extent our hardships and aspirations for a better life? Could it be that the ruling class of businessmen and bankers has a suicidal streak? Maybe they subconsciously desire to share their wealth with us, or is it that their grip on film and television, on mass culture in general isn't very tight, here and there allowing pro-working class themes to slip by into the light of day (or among the dark shadows of the tube and screen)?

PL thinks that the bosses are neither harborers of the death-wish for themselves (even they aren't that decadent), nor do they maintain anything less than a very studied guiding hand in the media. True, there are times of looser and stricter control. But exceptions to their control are fewer than we might think. And we should be very careful that we don't fall into the trap of seeing the ruling class' films as a form of **our** protest.

The following article makes just that point, dealing in particular with a movie called **Viva Zapata.** Originally the article was a chapter in a book, **Film in the Battle of Ideas** published in 1953. Today it's very hard to get hold of and for that reason we are reprinting it here. John Howard Lawson is the author. He was among those in Hollywood blacklisted and imprisoned during the red scare of the Joe McCarthy days.

Probably a member of the old Communist Party, it's easy to see many of their revisionist ideas in his writing. For instance, he likes to praise those who favor "democracy" and denounce the "enemies of democracy," without explaining that under capitalism of any form—bourgeois democratic or fascist—the ruling businessmen always make all the important decisions. "Democracy" under capitalism is really a dictatorship of the bosses in disguise. And socialism is not the culmination of a "struggle for human rights." This is a classless view, and we must be wary of many of Lawson's conclusions. Nonetheless, Lawson knew Hollywood, its film techniques and bases of power, and his intent is often good, if his analysis isn't always.

Socialism is when the dictatorship of the bosses is overthrown by violent revolution and replaced by a dictatorship of the working class. Of course this will be a thousand times more democratic than any form of capitalism because the majority of people will collectively run society instead of a tiny minority running it. But we will forcibly prevent the old rulers and their ideas from taking power back—hence the name, dictatorship of the working class. This is what real communists stand for. We might add that in the area of film, TV and all culture, this will be the first time that governmental power will vigorously support the efforts of honest artists. Never before—prior to socialism—could the strength of a class in power be brought to bear in the creation of an art which speaks the truth.

In spite of Lawson's revisionism, he has many things to say. Other portions of his book, in addition to the chapter reprinted here, also contain much that we can learn from. Perhaps we will print more in future editions of PL magazine. More importantly, some of us should be encouraged to investigate and write about film and TV today. How exactly does the ruling class, through executives in the media and other methods, control culture? Who said what to whom in order to develop the current racist TV shows? What, precisely, is the means by which the rulers create anti-communist content in current movies?

The appearance of **Viva Zapata!** early in 1952 caused the usual controversy, and more than the usual confusion, concerning Hollywood's ability to deal honestly with important social themes. In this case, there can be no question that the theme is significant.

The film portrays the revolutionary movement of the peasants of Mexico led by Emiliano Zapata in the second decade of the twentieth century. Zapata is one of the great figures in the history of Mexico and of the Americas. The most far-sighted and consistent leader of the Mexican Revolution, he created a tradition that is still a vital force in the culture and political life of the Western Hemisphere.

The picture was hailed by some critics as an honest and sympathetic portrait of Zapata, and as a powerful presentation of the peasant struggle for land and liberty. Some progressives, while noting that the film has weaknesses, greeted it as a genuinely progressive achievement, a contribution to our understanding of the spirit and strength of a people's movement.

If the applause is merited, **Viva Zapata!** is an astonishing phenomenon—disproving what we have said about Hollywood, and showing that we have done the motion picture industry an injustice. The agrarian revolt led by Zapata was essentially anti-imperialist, and the events have far-reaching present-day implications. If the struggle is presented with sympathy and respect, it means that the film monopolists have defied the official foreign policy of the United States government. While the rulers of our country burn Korean villages, aid the suppression of peasant movements in Indo-China and Malaya, support anti-democratic regimes in all parts of the world, and increase the heavy burdens imposed on the people of Latin America by Yankee imperialism. Hollywood asserts the peasants' right to land and liberty and honors the struggles of oppressed peoples!

Critical appraisal of **Viva Zapata!** must be based upon the film itself, the cinematic images and sound-track which project its structure and meaning as a work of art. But in examining the picture, it is essential to consider a number of pertinent facts which have a bearing on the finished work—the circumstances of its production, the intention of its makers, its relationship to the industry's present policies.

Viva Zapata! was written by John Steinbeck, directed by Elia Kazan, produced by Darryl Zanuck for Twentieth Century-Fox. The political purpose of the film has been outlined by Kazan, in two letters to the **Saturday Review**, and in testimony before the House Committee on Un-American Activities. The director's first communication appeared in the **Saturday Review** of April 5, 1952. Five days later, he appeared as an informer before the House Committee.

We are accustomed by this time to the dreary spectacle of frightened men and women, who lie and supplicate and repent, denying all that is decent in their professional and personal lives in order to secure absolution from the ignorant politicians who have become the arbiters of culture in the United States. But Kazan seemed determined to outdo other informers, in treachery to his friends and in personal abasement. In addition to supplying the committee with names, Kazan offered an affidavit in which he provided "a list of my entire professional career as a director, all the plays I have done and the films I have made." We may recall the Authors' League warning in 1947 that the Un-Americans arrogate to themselves the right to destroy "the whole corpus of a man's work, past and future." In Kazan's case, the artist destroys himself, submitting his professional life to the inquisitors and promising total submission in the future.

Kazan listed twenty-five plays and films, each accompanied by a note of apology—"No politics" ..."almost everybody liked this except the Communists"..."shows the exact opposite of the Communist libels on America"..."not political," etc.

Kazan's conduct is of some interest as a case-history of moral degradation. But we are less concerned with his personal infamy than with the cultural and social pattern of which it is a part. **Viva Zapata!** cannot be divorced from Kazan's testimony before the Un-Americans. The director emphasizes the connection. His affidavit says: "This is an anti-Communist picture. Please see my article on political aspects of this picture in the **Saturday Review** of April 5, which I forwarded to your investigator, Mr. Nixon." (Not only does the artist submit his work to the Congressional Gestapo; his comments on the work are slanted for their approval, submitted with due reverence.)

Let us examine Kazan's evidence, laid before the enemies of democracy as proof that **Viva Zapata!** has no democratic taint. Kazan begins his letter to the **Saturday Review** with a comment on "the political tensions that bore down on us—John Steinbeck and Zarryl Zanuck and me—as we thought about and shaped a historical picture." The tensions, according to Kazan, related to one point in Zapata's career:

> "What fascinated us about Zapata was one nakedly dramatic act. In the moment of victory, he turned his back on power. In that moment, in the capital with his ragged troops, Zapata could have made himself

president, dictator, caudillo. Instead, abruptly, and without explanation, he rode back to his village... We felt this act of renunciation was the high point in our story and the key to Zapata himself."

In the first place, we must ask whether this situation is historically accurate? In the second place, why was the incident selected as the crux of the Zapata story?

The act of renunciation which fascinated Kazan and Steinbeck, not to mention Zanuck, is an irresponsible fabrication. There is no mystery, and no hint of renunciation, in Zapata's departure from his capital. He could not hold power because the forces arrayed against him were too strong. Among these forces was the military might of the United States, which threatened Zapata with full-scale armed intervention.

In a letter to the **Saturday Review,** Carleton Beals points out that Kazan's version of the retreat from Mexico City is an "absurd concept." Beals observes that "Zapata committed no such gross betrayal of his followers.... He was in a trap with powerful armies closing in on him.... Zapata was outnumbered ten to one. When he rode out of the National Palace that last time, rifle fire and artillery were shaking Mexico City."

In reply to Beals, Kazan asserts that research for the picture "was extensive," but "I never did hear the version Mr. Beals tells." This is an **alarming commentary on techniques of film re-**

search. Kazan could not have picked up any reputable history of the period without finding that Zapata's position in Mexico City was threatened by Carranza's army to the east, Gonzales' troops to the south; and the far more modern and well-equipped army of Obregon, backed by the White House, stood at Puebla within striking distance of the capital.

The essence of Zapata's life is summarized by Frank Tannenbaum, a bourgeois scholar whose books on the Mexican revolution must be known to Kazan: "From the day he rose in rebellion to the day he was killed, he never surrendered, never was defeated, never stopped fighting." It is the real Zapata, the unconquerable hero of the revolution, whose grave in Southern Mexico is a sacred shrine to the people of his country.

Kazan and Steinbeck, and their modest co-worker Zanuck, were blind to historical facts, because the facts did not fit their political purpose. They wanted a hero who surrenders. "In a moment of decision," according to Kazan, "this taciturn, untaught leader, must have felt, freshly and deeply, the impact of the ancient law: power corrupts. And he refused power." Underlying this phony philosophy, which Carleton Beals describes as "eyewash," lies the hard core of the film's political meaning. Every struggle for human rights involves the question of power. If power is an absolute source of corruption, if it must be renounced by every honest leader, the people are doomed to eternal submission. The "ancient law," presented as the central theme of **Viva Zapata!**, denies any possibility of the rational use of power for democratic and socially constructive ends.

At a time when colonial peoples are throwing off the yoke of poverty and oppression, it is not possible to deny that these great popular movements exist. It is possible, however, to deal sympathetically with the "futility" of revolt, to lament the "inevitable betrayal" of the revolution by those leaders who demand fundamental changes in the system of exploitation. This service to imperialism occupies the lives of whole regiments of scholars in the fields of sociology, political economy and history.

Hollywood selects a moment of Mexican history for its lesson in the "futility" of people's movements. The choice is not accidental. Careful, and conscious, political analysis determined the selection of the time and the place. The period is sufficiently distant to avoid any direct allusion to contemporary events. The plight of the farm workers of Morelos is similar, in many respects, to the plight of colonial populations. We cannot miss the historical parallel, but the role of United States imperialism is not so obvious in the Mexican conflict as in more recent events in Asia and other parts of the world.

It is a gross distortion of history to ignore the fact that the peasant movement led by Zapata was part of a national uprising which was chiefly directed against the imperial power of the United States. But the film presents Mexico as a land of corrupt generals and politicians, apparently acknowledging no obligation to a foreign power. The demand for land on the part of the poverty-stricken Indians and Mestizos of Morelos is treated as a separate and isolated struggle, humanly justified, but doomed from the start because the peasants are too "ignorant" or "innocent" to seize and hold state power.

White chauvinism, contempt for the darker peoples of the world, is inherent in the conception. The directional treatment, the lighting, setting, costumes and movement of the actors, are all designed to reinforce the impression that the people of Morelos are "picturesque," artistically attractive, but totally incapable of effective organized action. Zapata's brother is shown as a drunken lout.

The characterization of Zapata deprives him of the intellectual stature he unquestionably possessed. The author of the Plan of Ayala, the program of land reform and national unity which is one of the great documents of the history of the Americas, is played by Marlon Brando as a man who is not only culturally, but politically, illiterate. The actor employs the same tricks and

mannerisms that he used a few months earlier to depict the brutally inhuman "worker" in **A Streetcar Named Desire.**

Answering Beals' criticism, Kazan succeeds only in exposing his own chauvinistic contempt for the Mexican peasants and for Zapata as their representative. He quotes a letter from a lady, in which the lady asserts that the real reason for Zapata's retreat from the capital "was the typewriters:"

> "He conquered the city, vanquished rivals, contenders, occupied government offices, and there faced modern equipment for the manipulation of law and order. He did not know how to go on. The rows and rows of typewriters decided his retreat."

Kazan observes: "Still another version! And just human enough to have truth in it." Here we see the real face of the director, the man without honor or conscience who submits his life's work to the racist Congressman, John S. Wood of Georgia.

Kazan unwittingly reveals the real reason for his version of Zapata's "renunciation of power"—his peasant "stupidity," his inability to handle the "modern equipment for the manipulation of law and order." To be sure, Kazan does not blame Zapata for his fear of typewriters. He loves him for it. The "simple" peasant is a saint, if only he will bow to the "ancient law" that power corrupts—conveniently leaving power in the hands of those who exploit and starve the peasants.

Like all authoritarian concepts, this theory of power is mystical and irrational. The anti-intellectualism of the film is embodied in the symbolic figure of the man who "loves only logic," "the man with the typewriter," an incongruous individual who wanders through the story like a lost soul, having nothing to do with the action. He serves solely as an example of "a real revolutionist." He is close to Zapata in the peasant's rise to power, but turns against him after his "renunciation." If my eyes did not deceive me, he appears in later scenes in a sort of "commissar's" uniform. He displays his affection for logic by urging everyone who will listen to him to burn and destroy. We are fortunate in having the director's explanation of this character's function:

> "There is such a thing as a Communist mentality. We created a figure of this complexion in Fernando, whom the audience identify as 'the man with the typewriter.' He typifies the men who use the just grievances of the people for their own ends, who shift and twist their course, betray any friends or principle or promise to get power and keep it."

It may be argued that Kazan is merely introducing a little "harmless" touch of anti-Communism, seeking to clear himself by muttering the penitential words which he also used in his appearance before the Un-Americans. But in the film, as in the proceedings of the committee, the idiocies of red-baiting provide the ideological excuse for the betrayal of democracy. Fernando is an utterly ridiculous figure in **Viva Zapata!**

The lack of invention or skill in the use of the character is appalling. Political necessity dictates the strange behavior of the character, and the same necessity makes it impossible to do without him or make sense out of him. Fernando is just as witless as the anti-Communism he personifies.

Fernando's function is directly related to Zapata's "renunciation." There must be a conflict—or at least the shadow of a conflict—between the hero's abandonment of power and another course of action. The alternative cannot be a real struggle for the land, because the film's social philosophy holds that the struggle is selfdefeating and destructive. Yet it is not sufficient to counterpoise the aspirations of the peasants to the corruption of politics-as-usual: this would make a fool out of Zapata and expose the moral rottenness of his "renunciation." His choice must be between the existing corruption and something worse, which will eventuate if he continues to lead the people. Something worse is socialism or Communism, or any genuine change in class relationships and control of the state.

This, of course, is the purpose of all anti-Communist propaganda. Kazan would appear as an absolute fool in renouncing his liberal past, if he could not claim that he is avoiding **something worse** by yielding to the badgering of unscrupulous politicians. The stale clichés of red-baiting were used long before the Soviet Union was born, long before the great pioneering work of Marx and Engels, to discredit any struggle for the rights of the oppressed and disinherited.

In **Viva Zapata!**, anti-Communism is offered as the excuse for re-writing the recent history of Mexico. Kazan boasts that the film's portrait of Zapata "spoiled a poster figure that the Communists have been at some pains to create." It is of no concern to Kazan that the "poster figure" he discards is known and loved by the people of the land.

He tells us, with the arrogance of the imperialist, that he and Steinbeck were warned in advance that the Mexican people would regard their film as a violation of Mexican history and traditions. The director and writer gave a preliminary script to "two men who are prominent in the Mexican film industry.... They came back with an attack that left us reeling. The script was impossible!" They pointed to many inaccuracies, "but, above all, they attacked with sarcastic fury our emphasis on his refusal to take power."

Kazan reports that Steinbeck reacted to the criticism by remarking: "I smell the Party line." Kazan adds: "I smelled it too." Here we have an admission that Kazan is lying when he says he never heard of the facts about Zapata's retreat from Mexico City. He learned the facts from responsible leaders of the Mexican film industry as well as from books which he must have read. He ignored the facts because his employers and

the Un-American Committee had ordered him to make an anti-democratic picture. He uses red-baiting, as it is always used, to cover the attack on truth and democracy.

Some of the more astute reviewers of the commercial press have noted that **Viva Zapata!** is a defense of the **status quo.** Otis L. Guernsey, Jr. writes in the New York **Herald Tribune** that the social problem is handled "as though Zapata's chief contribution to Mexican freedom had been a negative one." According to Guernsey, it is only after Zapata takes "to the hills in disgust at the corrupting influence of power" that he "comprehends the real issues with which his society is faced....

> "Peace and stability, Zapata finds, cannot be won by replacing a bad leader with a good one (even himself); it can be won only when each individual is able to take his own responsibility, when there is no longer a need for any leader at all."

Admirers of the film have said that it ends affirmatively, stressing the people's love of Zapata and their feeling that even after his death the cause he fought for is unconquerable. But how can this hero symbolize an unconquerable cause when he himself denies struggle and forswears power? The **Herald Tribune** critic notes the real point of the conclusion: "The obvious goal—land reform—is as far off as it ever was." Furthermore, Guernsey sees that the characterization of Zapata is designed to reinforce the political lesson:

> "The over-lapping values of bloody banditry and historical meaning are carried out in Brando's portrayal of the brooding Zapata. He is the slow fuse attached to the heavy powder-charge, a grim-looking, mustachioed fellow with dirt on his skin and simple conceptions of justice and violence in his mind. Like most Brando performances, Zapata is heavily underlined with animal traits...."

It is significant that Zapata's final parting from his wife, when he rides into the trap that brings his death, is a scene of stupid physical violence. She clings to his horse, and he throws her off so roughly that she almost falls under the animal's feet. It is a fitting climax to a relationship totally lacking in dignity or depth of feeling. The scene has a vital place in the political scheme of the film. Zapata has not wholly renounced power. He is still seeking guns and allies to continue the fight. Therefore, it is necessary to show him in a violent mood, rejecting his wife's love, exhibiting the brutal side of his nature. His spectacular death fulfills the theme of renunciation. He must die because he is unable to hold to the "good life" which the makers of the film prescribe for the repentant leader.

Kazan describes the people of Morales as "the proudest and most independent in all Mexico. Their bearing is proof of the kind of man who led them out of bondage and did not betray them. I think it is also witness to the relationship of two things not usually coupled: politics and human dignity."

In a sense this is the most revealing passage in the director's **apologia.** Ignoring the present poverty of the Morales peasants, Kazan speaks glibly of their having been "led out of bondage." Zapata did not betray them, as he apparently would have done if he had led them to victory over their oppressors. As long as they accept hunger and renounce struggle, Kazan is pleased to grant them their dignity.

Kazan elucidates his meaning more fully in his

Jean Peters, Marlon Brando in Viva Zapata

testimony before the Un-American Committee. He performs an act of renunciation, subtly connected with the meretricious "renunciation" which he imposes on the celluloid Zapata. Kazan renounces political struggle, denies even the right to conduct struggle or hold opinions. Just as his false Zapata abandons land-reform in order to save the makers of the film from any suspicion of Communism, so Kazan discards all pretense of personal or artistic independence in order to retain whatever shreds of "dignity" the Committee will grant him.

Kazan's testimony has its moments of cruel comedy. The contradiction in the cultural informer's position—his pretense of speaking for freedom while he grovels before his inquisitors—is so intense that the witnesses seem slightly demented, as frantic to abandon sense and reason as if the wrack and the wheel awaited them in the ante-room. Kazan's affidavit dismisses the political activity of his adult years with these words: "My connections with these front organizations were so slight and so transitory that I am forced to rely on a listing of these prepared for me after

research by my employer, Twentieth Century-Fox."

Kazan attains epic irony in explaining his reasons for quitting the Communist Party in 1936. Going back over nearly twenty years to crawl and apologize and admit errors to the Committee, Kazan explains his withdrawal from the party: "The last straw came when I was invited to go through a typical Communist scene of crawling and apologizing and admitting the error of my ways."

Statements of this sort are required by the Committee. One may assume that the Congressmen, the witnesses, and everybody present, know that the statement is false. If Kazan had gone through any such experience in 1936, his views and activities during the following years would have been affected by it. He would have spoken against Communism; he would have questioned the desirability of unified action of Communists, progressives and liberals. His artistic career would have followed a different course both in the Group Theatre and in his later career as a director.

Kazan's contempt for honor or truth in his testimony is one with the contempt for the truth of Mexican history in his film. An artist who has no respect for his own country's Bill of Rights will not hesitate to malign the democratic traditions of the Mexican people.

In terms of historical theory, there is a link between **Viva Zapata!** and **The Red Badge of Courage.** Both pictures preach the futility of any struggle for freedom. **Viva Zapata!** turns to Mexican history to make the lesson more explicit. In a suggestive passage, in his letter defending the film, Kazan hints that his method of treating Zapata may also be applied to great figures in United States history:

> "We know that the Communists in Mexico try to capitalize on the people's reverence for Zapata by working his figure into their propaganda—much as Communists here quote Lincoln to their purpose."

We can await the Kazan-Steinbeck attempt to rescue Lincoln from the "poster figure" the Communists have helped to create. The theory that "power corrupts" can be applied in Lincoln's case. It can be suggested that the Great Emancipator made a fatal error in signing the Emancipation Proclamation. It can be shown that he would have been wiser to acknowledge the "ancient law" that renunciation is better than victory. This revision of history will be especially fascinating to Kazan and Steinbeck, not to mention Zanuck, when they discover that the influence of Communists was a factor in persuading Lincoln to proclaim Emancipation, as in many other vital matters affecting the conduct of the war.

No doubt Kazan will play his small, inglorious part in further Hollywood efforts to cut down the great democratic leaders of history to fit Wall Street's specifications.

Kazan will be loyal to the Un-American Committee and to his employers, happy in the knowledge that there is no essential conflict between them. The last sentence of his statements to the committee shows he is untroubled by any problem of divided loyalties: "I have placed a copy of this affidavit with Mr. Spyros P. Skouras, president of Twentieth Century-Fox."

(continued from page 67)

for retirement of debts other than sinking funds are subtracted from the gross debt.

Sinking Funds: More on these. Each year the city sets aside monies from the Expense Budget so that when bonds mature during the year there will be enough money to redeem the bonds. While the money is sitting in the sinking fund (for all bonds) it can be invested in short-term accounts, e.g. savings accounts, 90-day Treasury notes, etc. These short-term investments earn more money for the city. The earnings can either go towards interest or towards the operation of the city. At the present time, the city does not have the capability of "filling" the sinking fund to meet both its operating expenses and the debt service.

Types of Short-term notes: The city issues six kinds of short-term notes (these have a maturity generally less than a year).

1. *Bond Anticipation Notes (BAN):* These are issued in anticipation of the sale of bonds. BAN proceeds are used only for the same purpose as the original bonds. They are redeemed by the cash obtained from the bond sale itself.

2. *Urban Renewal Notes:* These are issued in anticipation of State and Federal aid or receipt of monies from the sale of property acquired for urban renewal projects.

3. *Capital notes:* These are issued for the same purpose as serial bonds.

4. *Tax anticipation notes (TAN):* These are issued to meet cash needs pending the collection of real estate taxes. These can't last longer than five years.

5. *Revenue Anticipation Notes:* Same as the TAN's except they rely upon other funding such as State aid and non-property taxes.

6. *Budget Notes:* These supplement appropriations to the city when unforseen expenses arise (like workers' paychecks!). These are to be paid back out of the following year's budget.

The above terms along with the terms used in the article are just some of the words in which the capitalists like to shroud their financial activities. Basically they are bookkeeping terms that describe how a city can borrow money for various purposes, and how to avoid "playing by the rules." *All of these definitions do not mean a thing if the ruling class cannot find the surplus capital in society to use.*

CHALLENGE

The Revolutionary Communist Newspaper

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GENERAL STRIKE IS ANSWER to BOSSES' DEFAULT

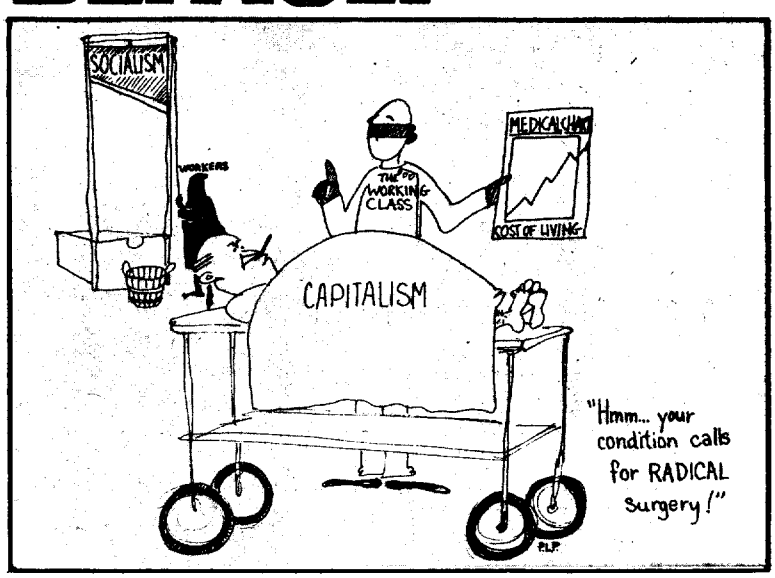
A WEEK OF STRUGGLE

INFIGHTING AMONG U.S. BOSSES

WASHINGTON, D.C. — The firing of Schlesinger and the so-called "shake-up" of Ford's cabinet is actually strengthening of the Rockefeller's faction inside the government. Schlesinger opposed Rocky's errand boy, Kissinger, while the new appointees: Rumsfeld, Bush and Richardson (who blew the whistle on Nixon) are all considered also Rocky's boys. This in-fighting by the U.S. ruling class reflects more and more the general decadence of U.S. capitalism. Rockefeller's decision not to announce his candidacy now can be seen as an olive branch to the right wing of the Republican party. Also it keeps open his option to run for the presidency if the Republican convention gets snared in a Reagan-Ford tie-up! (More next issue.)

U.S. CITIES DECAYING

NEW YORK CITY, Nov. 4—While the bosses' press screams of this city going down the drain (and it is) they imply that it is only going on in the Big (rotten) Apple. However, statistics prove differently. Tom Wicker writes in the New York Times, Nov. 4: "3,000 unemployed workers a week—at least 35,000 since July—are using up their unemployment benefits there (Florida). That means each has been unemployed at least 65 weeks, the maximum for which benefits can be paid; and this state's unemployment still stands at 12.4 percent."

NURSING HOME STRUCK

NEW ROCHELLE, N.Y., Nov. 1—Hundreds of hospital workers, members of 1199, picketed the Woodland Nursing home here today in support of the 115 brothers and sisters who have been on strike for 6 weeks for their demand of increase in health benefits. There have been mass arrests of picketers (52 to date), an attack by pipe swinging goons that has left one man still hospitalized. These attacks have only strengthened the strikers' determination to win.